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ABSTRACT

The advertising industry in the United States is thoroughly analyzed in this comprehensive report. The report was prepared mostly from the transcripts of the Federal Trade Commission's (FTC) hearings on Modern Advertising Practices. The basic structure of the industry as well as its role in marketing strategy is reviewed and some interesting insights are exposed. The report is primarily concerned with investigating the current state of the art, being prompted mainly by the increased consumer awareness of the nation and the FTC's own inability to set firm guidelines for effectively and consistently dealing with the industry. The report points out how advertising does its job, and how it employs sophisticated motivational research and communications methods to reach the wide variety of audiences available. The case of self-regulation is presented with recommendations that the FTC be particularly harsh in applying evaluation criteria to children's advertising. The report was prepared by an outside consulting firm. (MC)

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ADVERTISING AND THE PUBLIC INTEREST

A Staff Report to the Federal Trade Commission

by

John A. Howard

and

James Hulbert

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An analytical Report to the Federal Trade Commission of the testimony and the record of the FTC's Hearings on Modern Advertising Practices by John A. Howard and James Hulbert consultants to the Commission. The analysis, interpretations, conclusions and recommendations expressed in the report are solely those of John A. Howard and James Hulbert who were responsible for the preparation of the report.

PREFACE

C. W. Cook, the lead-off speaker for the advertising industry, predicted that when the record of the Federal Trade Commission's hearings was complete, we would be closer to a definition of advertising and the public interest. We hope that this staff report to the Commission does, to some extent, confirm Mr. Cook's prediction; hence, the title of the report.

The report itself is based mainly upon the transcript of the Commission's hearings on Modern Advertising Practices together with the written submissions and other documents submitted for the record. The report was written with the funding and assistance of the staff of the Bureau of Consumer Protection, but indicates no approval or disapproval by the staff or Commission.

The hearings represented a very significant stage in the continuing evolution of the American marketing system. The Commissioners, increasingly concerned about the complexity of their statutory task of regulating the advertising industry, called upon advertising agencies, media, trade associations, researchers, consumers and consumerists, to provide information which would facilitate their task. The result was an assembly of witnesses whose testimony during the course of the hearings covered the issues of advertising and the public interest more comprehensively, and from a greater diversity of perspectives, than had ever before been the case.

This report is designed to make the contents of those hearings available in useful form to all whose decisions are affected by the interplay of advertising and the public interest, be they consumers, advertisers or regulators.

The hearings themselves were specifically designed to help ensure that regulation is conducted so as to benefit consumers and competitors, to determine more exactly what constitutes "unfair" and "deceptive" advertising, and to understand more clearly the mechanisms by which advertising works.[1] To be useful in meeting these ends the voluminous hearing data required considerable reorganization, distillation and interpretation. It is our hope that this effort has produced a report which will contribute to the purpose the Commissioners envisioned in deciding to hold the hearings.

Insofar as the report does prove useful, it is in large measure due to the help we have received from members of the Bureau staff and others. First, we must express our gratitude to Robert Pitofsky for his imaginative understanding of our goals. He set the ground rules and "gave us our head." Second, the Chairman, Miles Kirkpatrick, with his remarkable perceptiveness and intellectual integrity, provided us with a sense of mission that made the preparation of the report an existing task.

We owe an immense debt of gratitude to Joan Bernstein and Nancy Buc, who were responsible for arranging the hearings.

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[1] Commissioner Kirkpatrick (T3). Throughout the report we have adhered to a simplified format for references to the transcript of the testimony, for which we have used "T" followed by the page number, and the written submissions for which we have used "W" followed by the page number.

They adhered to a philosophy of honest inquiry which permeated both the hearings and their relationship with us. Their knowledge was of immense help in analyzing and evaluating the content of the hearings. In addition, they were splendid critics with a veritable passion for new concepts. Finally, we wish to thank Stuart Block and Lawrence Fox for their assistance in various aspects of preparation and coordination of this report.

Outside of the Bureau staff, Erma Angevine, Executive Director, Consumer Federation of America, offered counsel and observations that yielded very useful insights. We also wish to thank the following members of the Joint ANA-AAAA Committee who lent both their personal and organizational support: John Crichton, Peter Allport, Bart Cummings, Edward Bond, Thomas Dunkerton and Gilbert Weil.

We must reserve a special vote of thanks for Dr. Lawrence Reedy of the AAAA. He gave both moral and material support. But, more than this, he saw the hearings as an opportunity to clear away cobwebs that had long obscured views of the industry - from outside and within He quietly performed a role that we believe brings to the report a higher degree of objectivity than would have otherwise been possible.

Here at Columbia University, a number of people contributed sterling service. Mrs. Bernice Schuddelkopf did most of the typing and many of the administrative chores. She devoted endless evening and week-end hours to the many essential tasks involved in the venture. Her rare good humor and tolerance made her a delight to work with. She was ably assisted by Mrs. Jill Hoffman, to whom we also extend our thanks.

We owe a considerable debt to Francis Scricco. He devoted himself wholeheartedly to the administration of the project, and his efforts eased many of the burdens which would otherwise have fallen on our shoulders. In addition, he played an important role in the early stages of analyzing the hearings material, and was primarily responsible for working with the written submissions.

The bulk of the analysis of content, however, was performed by John Binkley and Carole Brandt. We are very grateful for the long hours they spent analyzing the transcripts of the testimony. Their work laid the foundation of the report.

We also wish to thank Morris Holbrook, who authored Appendix Two. While this is a substantial contribution in its own right, our discussions with Morris on other parts of the report were always interesting and helped us refine a number of ideas.

A further essential contribution was made by Professor Deanna Kuhn of the Psychology Department at Columbia. Her thoughtful and detailed comments on the child development section of Chapter Six were invaluable.

Sharon Cook labored with great skill on a variety of documents submitted for the public record. The annotated bibliography is largely a result of her efforts. Her motivation and perseverance were a model for all of us. She also helped us with the unexciting but essential job of proof reading.

In the final "rush to press", Andrea Madden provided timely assistance. She helped to summarize transcript material for the

bibliography, read proofs and helped with a variety of the other tasks that somehow remain at the last minute. We are very grateful for her willingness to help us at such short notice. Karen Hochman and Claudia Ulbright provided similar help, and we also thank them for their efforts.

Finally, we also extend our appreciation to our colleagues, friends and families who have endured our preoccupation over the last year. Their understanding and support eased our task considerably.

New York City
February 1973

John A. Howard
James Hulbert

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CHAPTER ONE

THE CONSUMER AWAKES

Recent years have witnessed increased public debate on issues affecting the consumer. Yet, the consumer has existed for as long as there has been an economy, seemingly without the attention which he garners today. What has changed? Is, indeed, the consumer more concerned today, or merely more visible? What is the extent of the "consumer problem?" Does it exist only in the minds of those dedicated to the consumer cause, or is it a widespread, more fundamental phenomenon? If, in fact, consumers' attitudes have radically changed, how should industry and government respond?

These are the issues to be explored in this first chapter. They are crucial issues, for they will shape the future relationship between consumer, industry, and government.

Evidence for Awakened Consumer Interest

While it is true that the concern over consumer issues has ample historical precedent, there are a number of factors which suggest that the current wave of interest may be radically different from its transient predecessors. One of the most striking of these factors is the emerging political salience of consumer issues. In 1962, President John Kennedy sent a message to Congress endorsing four consumer rights:

1. The Right to Safety - To be protected against the marketing of goods which are hazardous to health and life.

2. The Right to be Informed - To be protected against fraudulent, deceitful or grossly misleading information, advertising, labeling or other practices, and to be given the facts needed to make an informed choice.

3. The Right to Choose - To be assured, wherever possible, access to a variety of products and services at competitive prices; and, in those industries where government regulations are substituted, an assurance of satisfactory quality and service at fair prices.

4. The Right to be Heard - To be assured that consumer interests will receive full and sympathetic consideration in the formulation of government policy and fair expeditious treatment in its administrative tribunals.[1]

Political recognition of consumer issues moved a further step forward with the 1964 appointment of Esther Peterson to the newly-created position of Special Assistant for Consumer Affairs in the Executive Office of the President. This position is currently occupied by Virginia Knauer, who was appointed by President Nixon in 1969.

Political acknowledgment of consumer issues has not, however, been restricted to the White House. The Congress has played an active role in the debate over consumerism issues. Senators Gurney, Javits, Hart, Magnuson, Moss, McGovern, Pearson, and Percy, as well as Congressmen Dingell, Erlenborn and Rosenthal are among the many who have been active in the area of consumerism issues.

Similar political activity can be found at the state and local levels where the legislative, judicial and administrative branches of government have been increasingly active in pursuing consumer interests.

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[1] Senator Warren G. Magnuson, "Consumerism and the Emerging Goals of a New Society," in Ralph M. Gaedeke and Warren W. Etcheson, eds., Consumerism: Viewpoints from Business, Government, and the Public Interest, (San Francisco, Canfield Press, 1972), pp. 3-4.

There is little doubt that consumer issues would have retained their political prominence for such a long period had there not existed substantial support at the grass roots level.

Social

Consumer issues have achieved a social visibility sufficient to propel them regularly into headlines. Consumer advocates, such as Ralph Nader, Robert Choate, and Evelyn Sarson, seem destined to receive considerable publicity for their pronouncements on controversial consumer issues. In attempting to define the social importance of consumerism, however, it is more important to look at the organizations which have arisen to represent--or, sometimes, interpret--the consumer interest.

Consumers Union, one of the oldest consumer organizations, is thriving today. The market for reports of its product-testing services is larger than ever. The circulation of C.U.'s magazine, Consumer Reports, recently topped two million, and its total readership is even higher. In addition, an important feature of the late sixties and early seventies has been not so much the continued health of older consumer organizations but, rather, the very rapid proliferation of new consumer organizations. Representative of such organizations are Action for Children's Television, and the Council on Children, Media and Merchandising. But there are countless other groups at the national, regional, and local levels.

Economic

Consumer issues are also of economic import, as attested to by many businessmen. The economic implications of the aggregate of consumers' decisions are, after all, no more than the forces of competition working to re-align demand and supply. However, active consumerism has given these forces new impact. The organization of consumers has contributed to both their visibility and their effectiveness. Both industry and government have responded to this stimulation. Revision of advertising, packaging, labeling information, product content, warranty provisions, and other aspects of the offer have proceeded apace in the many industries which have received the attention of the awakened consumer. These changes have reverberated throughout the production and distribution system, affecting not only production, but research and development decisions, as well.

What Is Happening to the Consumer?

The previous section has briefly discussed manifestations of the awakened consumer interest. We shall now examine the factors which have contributed to this concern.

There would seem to be little doubt that the major contentions between business and consumer activists reflect fundamental differences in values. The creed of a considerable number of businessmen is that the marketplace is a self-equilibrating mechanism, which, if left unbridled, would probably perform the job of satisfying consumer needs better than any alternative involving regulation or control. While this ethos can sometimes be used to provide a convenient rationale for business opposition to governmental intervention, many businessmen sincerely believe it. There are certainly many aspects of business activity which operate in the interests of the larger society without being subject to direct regulation or control. However, the facts are that the marketing system is regulated -- often for good cause, as a brief review of business history indicates.

The traditional philosophy of caveat emptor or laissez-faire relies on a number of assumptions about consumer behavior, not all of which are always made explicit. Yet, these assumptions are of central importance to an understanding of contemporary attitudes on consumer issues. Foremost among these is the assumption of the availability of accurate and relevant information for decision-making purposes. Despite the current annual expenditure of about twenty billion dollars on advertising, consumers are not always provided with such information-- a situation which exists regardless of current regulatory efforts in this area. Indeed, some industry leaders have even stated that there should be no relationship between advertising expenditures and consumer knowledge. In their view, advertising is not supposed to inform, but to persuade. Without getting embroiled in a semantic argument, it is nonetheless easy to see why much current consumerist dissatisfaction is focused on such advertising practices as comparisons with unnamed competing products, unsubstantiated advertising claims, and ambiguous descriptions of product benefits. While it can be alleged that such problems have always existed, their importance today is increased by the vastly greater discretionary income possessed by consumers, the increasing number of new products entering the marketplace, and the increasing technical complexity of many products.[2]

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[2] George S. Day and David A. Aaker, "A Guide to Consumerism," Journal of Marketing, Vol. 34, No. 3 (July, 1970), p. 15.

A further implicit assumption of the traditional philosophy is that the consumer possesses the ability to accurately appraise the costs and benefits of various purchasing alternatives and to then act accordingly. In a relatively simple socioeconomic system, this assumption would probably possess considerable validity. In modern America, the assumption is open to question. Given the availability of accurate and relevant information, it is possible that consumers could act this way. In the absence of such information, it is impossible. In the case of frequently-purchased, low-priced products, for which the cost of learning is relatively low, this problem may be less acute. If a firm were to offer a new chewing-gum, for example, the consumer's need for information would be less acute because an expenditure of ten cents or less would enable him to try the new brand and appraise its virtues directly. For durable products, however, where the purchase price is higher, and satisfactions are delivered over a considerable period of time, trial would be a very expensive way of learning. In this case, the validity of the assumption regarding the consumer's ability to appraise becomes of crucial importance.

The fundamental difference in beliefs about the nature of the consumer is but one factor which contributes to the intensity of the clashes over public policy. Each side of the controversy has, not surprisingly, utilized the assumptions which best serve its ends. One of our tasks will be to evaluate the validity of these contrasting views.

Role of the Marketing System

The American marketing system has long been the target of social critics. However, a case can be made that the system has, in fact, become a victim of its own success -- a supreme irony of the American way. America's alleged preoccupation with materialism[3] has, nonetheless, produced a standard of living which, measured in conventional quantitative economic terms, is unparalleled in the history of the world. Never have so many enjoyed the fruits of economic growth. Of course, this growth has not been achieved without costs; but, at the same time, the American marketing system must share in the credit. By its continuing innovation and proven ability to present novel ways of fulfilling consumer needs, it has helped provide the stimulus to assure a market for an overwhelming variety of products.

Yet, paradoxically, it can be viewed as having engendered its own demise. To the extent that success has been achieved by presenting exaggerated claims of product superiority, or overstating product performance claims, advertising has contributed to an artificial rise of consumer expectations. Under this view, pressures of competition have induced evermore inflated claims. Now, the critics would argue, the bubble of consumer expectations, inflated beyond reasonable limit by the ad-man's hot air, has finally burst. The marketing system engendered levels of expectation it could not possibly sustain, and it is now paying the price for the deception.

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[3] See, for example, John K. Galbraith, The Affluent Society (Boston, Houghton Mifflin, 1960).

An alternative view, and one far less kind to marketing, is that the marketer -- far from suffering from being "too successful" -- is, in fact, in trouble because of his failure to practice what he preaches. A fundamental precept of the marketing concept, as embraced by a large number of marketers, is consumer satisfaction. Yet, it can be argued, marketers' commitment has been more conceptual than operational. They have been too easily disposed to accept sales dollars, market share, or profits as a substitute for the yardstick of true consumer satisfaction. Further, by being satisfied with aggregate measures suggesting that a substantial majority of their consumers have been satisfied, and by failing to investigate dissatisfaction when it did occur because it appeared to be of insufficient magnitude, they have committed their own 'majority' fallacy.

In its quest for efficiency, the modern corporation has witnessed increasing amounts of specialization. The tremendous technological spurt resulting from World War II laid the foundation for new product innovation of unprecedented scale in the postwar period. Fueled by rising consumer incomes, the result has been the emergence of an almost new kind of industry--an industry consisting of marketing researchers, new product specialists, advertising researchers, and enlarged marketing departments, all designed to find more profitable ways to compete for the consumer's dollar. The resulting changes in organization structure, however, often present further barriers to achieving true consumer satisfaction. This, we believe, holds true for many large consumer goods manufacturers, and probably for many retailers and service organizations. Let us take the case of the brand manager, however, because his role is central to much of modern marketing. In contrast to the single proprietorship, where the owner was usually in day-to-day contact with customers, the brand manager is really quite remote from the consumer he is serving. As Figure 1 indicates, he is generally isolated from the consumer by a number of organizational units, particularly with respect to the vital communications functions. On the output side, the advertising agency carries the bulk of the responsibility for developing and communicating advertising appeals. On the input side, the brand manager receives feedback through marketing research, often executed by outside suppliers. Alternatively, he receives feedback through specialist groups within his own organization. As has been argued elsewhere,[4] brand managers are much less likely to be motivated to aggressively pursue the goal of consumer satisfaction of these managers as long as the only criteria for evaluation are such aggregate measures as profit contribution and market share. These organizational factors will be discussed more fully beginning in Chapter Two.

Changes in American Values

Another factor which has played an important role in changing consumer attitudes has been the questioning and searching re-examination of traditional values, a recent characterization of American society. Representative of these changes is the increased concern

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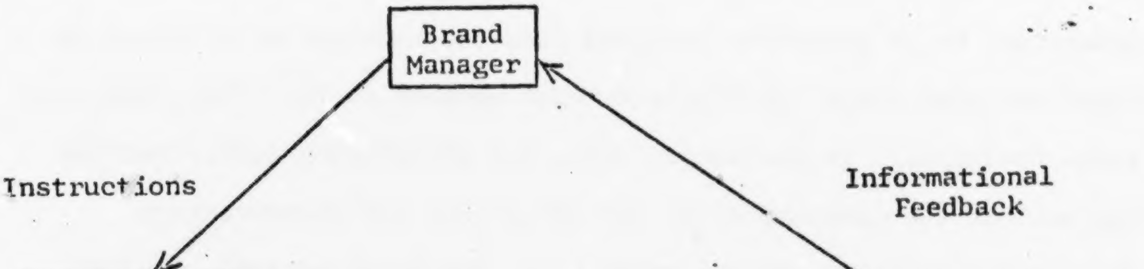
[4] James Hulbert and William J. Marx, "Ethical Aspects of Marketing" in Stewart Henderson Britt, ed., Marketing Handbook, to be published by the Dartnell Corporation.

Figure 1

Simplified Communication Flow in the Marketing System


Brand Manager
Instructions
Informational Feedback
Advertising Agency
Marketing Research (External or Internal to the Firm)
Media
Marketing Appeals
Informational Feedback
CONSUMERS

over the quality of the environment, the rights of minorities, and the problems of the poor.

As a result of the pressures of expanding population, and the increased visibility of the by-products of a burgeoning technological society, Americans have recently become much more sensitive about environmental blight. This concern manifested itself in the form of pressures on business, government agencies, real estate developers, and others. For our immediate purposes, only the calls for changes in packaging and advertising practices are directly relevant. However, activism over environmental issues is closely paralleled in the area of consumerism; and, taken together, they suggest that some rather fundamental changes in values are occurring. We contend, however, that these changes may be viewed as a no-more-than-expectable stage in the evolution of the American marketing system.

A number of marketing scholars and practitioners[5] have pointed out that the need for marketing activity emerged as the economy evolved from relative scarcity to relative abundance. With relative scarcity, consumers are eager to purchase whatever the producer brings to market. As supply expands, however, consumer demands become much more discriminating, thus requiring the producer to attend more closely to those demands by attempting to produce that which meets consumer needs. Now, however, it could be argued that those often minor features, which served to match products more closely to the desires of various market segments, are no longer the criteria by which an increasing number of consumers choose among alternatives. Rather, consumers are concerned with differential environmental impact of brand consumption, product safety, product durability, fairness of pricing practices, honesty of advertising appeals, and similar issues. These are the consumers who constitute the increasing market for Consumers Union, who join consumer organizations, who lobby their Congressmen for consumer legislation, and who are the thorn in the unresponsive marketer's side. For these consumers, who often seem to be spearheading the change in values of American society, the salient dimensions of choice seem to be far different from those embedded in the traditional marketer's plans.

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[5] Robert J. Keith, "The Marketing Revolution," Journal of Marketing, Vol. 24, No. 3 (January, 1960), pp. 35-38.

These changes in values, when placed in historical perspective, may be viewed as elements in a shift of fundamental economic philosophy--a shift placing the consumer in the eminent position originally ascribed to him by the intellectual architect of enterprise, Adam Smith. In 1776, he wrote:

> Consumption is the sole end and purpose of all production; and the interest of the producer ought to be attended to, only so far as it may be necessary, for promoting that of the consumer.[6]

The United States, whose foundation coincided with the appearance of Smith's tome, embraced private enterprise as a foundation of its socioeconomic philosophy. In the adoption, however, Smith's tenet of the central role of the consumer was lost. Individual freedom was not so much the freedom to consume as it was the freedom to work, to enter a new business. McNulty argues persuasively that antitrust laws have aimed at protecting these rights, rather than the rights of the consumer.[7] He states that the term "competitor" came largely to be limited in United States economic policy to producers and suppliers.[8] A characteristic example of this philosophy was the depression-born National Industrial Recovery Act. As Lyon so well documented, the consumer exercised no role in the development and implementation of the industrial codes; they were a product of the efforts of management and labor.[9]

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[6] Adam Smith, Wealth of Nations (New York: Random House Inc., 1937) p. 625.

What we are observing today, then, is a process of restoring the consumer to the place Smith envisioned for him in this development of the philosophy of private enterprise; a place, we might well argue, which is but his rightful position.

Possible causal factors could certainly be developed in great detail. However, in attempting to place these factors in historical perspective, we have briefly reviewed the role of the marketing system and of changes in values in contributing to the rise of consumerism.

Responding to the Consumer Challenge

The problem of how to respond to the new consumer initiative is evidently complex. By considering the three main parties involved, however, it is possible to summarize the problems facing each.

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[7] McNulty, "The Consumer and the Producer," Yale Review, Vol. 58 (Summer, 1969), pp. 537-548.

[8] *Ibid.*, p. 546.

[9] L. S. Lyon and others, The National Recovery Administration (Washington, D.C., Brookings Institution, 1935).

The Consumer

The consumer's problem may be stated quite briefly. He must be assured of the availability of relevant, accurate, and complete information which he may use to choose between alternative offerings. The challenge to industry and government is to ensure as efficiently as possible the provision of such information. It does not necessarily follow, of course, that this information should be provided through advertising. However, since the consumer clearly "pays" for advertising (the cost of which is reflected in the price he pays), improving productivity of advertising is clearly beneficial to society as a whole. We should not expect, however, that all consumers would use such information if it were available. Assuring usage is much more the province of consumer education than of marketing or advertising. The point is simply that such information should be available for those who wish to use it.

Industry

It would be deceptively easy to suggest that since companies can provide the type of information desired by consumers, they should, in the interests of consumer satisfaction and for the fulfillment of higher moral standards, commence to provide it forthwith. It is evident, however, that from the advertiser's perspective the purpose of marketing communications is ultimately to sell the product or service. Thus, to the extent that the provision of the type of information discussed above conflicts with the ability of the advertiser to sell the product, it is unlikely that he will indulge voluntarily in such "informational" communication. Furthermore, while the ideal of accurate, relevant, and complete information may serve as a useful guidepost, operationally it is uncertain whether anyone really knows what such information is, or how it should be presented. Thus, the apparent solution turns out to be no solution at all.

Government

The normative role of government in the American economic system has been oriented toward attempting to ensure that the competitive system continues to function effectively. Though some argue that regulatory efforts have occasionally strayed from this path,[10] this has been the traditionally expressed intent.

There seem to be two basic components to this philosophy. One is to ensure the continuation of alternatives for consumer choice by preventing monopoly or monopolistic practices. This area has been the concern of antitrust policy. Equally important, however, is the task of ensuring that the consumer has available the information needed to enable rational choice among these alternatives. The Bureau of Consumer Protection's efforts to deal with deceptive and unfair advertising conveniently and functionally divides itself into two approaches: the "policing" function which involves efforts to detect, challenge and eliminate the consequences of misrepresentations; and the "disclosure" function, involving requirements by case or rule making that strategic production information necessary to make sensible choices between competing products be made available to consumers. It is the informational task which concerns us here. The goal is to ensure that such information is provided, whether by voluntary action, by enforcement of existing legal mandates, or through the provision of new types of legislation.

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[10] McNulty, "The Consumer and the Producer," p. 538.

Scope of the Report

The major thrust of this report is an examination of the consumer's right to be informed. Advertising is clearly but one part of the "marketing mix" and only a component in the total flow of marketing communications from the firm. Undoubtedly, the role of other elements in the firm's marketing strategy shapes and is shaped by advertising. Of necessity, therefore, we shall sometimes have to deal with other aspects of marketing. However, our primary focus is on advertising.

Further, our focus will be restricted to the role of advertising in informing and influencing buyer behavior. Thus, we shall address ourselves to such issues as, "Does advertising enable the consumer to take better advantage of his options?"; and, "If so, how?" We shall not deal with some of the broader social effects of advertising, such as its alleged role in promoting excessive materialism, drug usage, or other societal changes. While this second set of effects is of obvious importance and may sometimes enter the discussion, our major concern is with the equally important, yet more manageable, first-order effects of advertising on purchase-related behavior. Increasing its understanding of these effects was, of course, a major factor in the FTC's decision to hold the hearings. Finally, we shall be most concerned with national brand advertising, which is estimated to be about half of a total advertising expenditure of slightly over

$20 billion per year. It is this type of advertising which is the "product" of the new industry we discussed earlier in the chapter. In addition, national brand advertising most clearly exemplifies the important public policy issues and was the subject of most speakers' comments during the hearings.

Organization of the Report

The report (Chapter Two) will first discuss the structure of the advertising industry, covering the nature of the organizations involved and their interrelationships. Chapter Two gives an overview of the process of advertising development, from product inception, through copy development, to clearance procedures. This material provides a basis for subsequent, more detailed discussion later in the report, and also provides the layman with an understanding he might otherwise have difficulty attaining.

Chapter Three examines the role of advertising in marketing strategy. Here, we discuss the relationship of advertising to other forms of promotion and the objectives which may be set for the advertising component of the marketing mix. We shall look in more detail at the type of supporting information used in advertising decisions, and how marketing decision-makers go about trying to measure advertising effects.

Underlying the contrasting, and sometimes competing, views of industry and consumer spokesmen is a variety of beliefs about the effects of advertising on consumer behavior. Sometimes these beliefs, or 'models,' are implicit; but some have been presented explicitly during the course of the hearings and elsewhere. In Chapter Four, we shall examine such models of communication in advertising. We shall attempt to resolve the inconsistencies and omissions of these models by presenting an integrative and comprehensive model of communication. This will serve as a conceptual framework for subsequent chapters of the report, and provide a common vocabulary which can help avoid the semantic problems which often plague discussions of advertising.

The techniques and methods of advertising constitute the subject matter of Chapter Five. We shall consider a variety of techniques used to enhance the effectiveness of advertising, focusing in particular on the elements which are combined to create the advertising message.

The problems of special audiences, such as children, the poor, or the uneducated, are a matter of great concern to a number of consumer organizations. We devote Chapter Six exclusively to this topic. While the empirical evidence is by no means weighty, there is no paucity of criticism or discussion. Chapter Six will discuss and evaluate these viewpoints in detail.

Marketing and advertising activities are presently carried out within a framework of controls which include a variety of legal and self-regulatory constraints. Chapter Seven provides a detailed description of this framework.

Chapter Eight presents a system of criteria for the evaluation of advertising from a public policy perspective. They will be contrasted with the evaluative criteria used by advertisers and marketers, and their relationship to the models of communication discussed in Chapter Four will be described.

Finally, Chapter Nine presents a suggested framework for future regulation. Based on our detailed discussion of advertising, we partition the problems into their components and use the criteria of Chapter Eight to develop recommendations which take into account the importance and urgency of the issues involved.

CHAPTER TWO

THE ADVERTISING INDUSTRY: STRUCTURE AND PROCESS

"No one who lives in America today can avoid contact with the advertising industry." (Frey T19). Indeed, advertising's all-pervasiveness is almost a necessary consequence of its function in the economic system. Yet, despite widespread familiarity with advertising, there is perhaps no area of American business whose operations are so much subject to misapprehension. Opinions run the gamut from believing that advertising is omnipotent (which it clearly is not) to believing that it is utterly wasteful (which, equally clearly, it is not). Suffice it to say that the proliferation of overstatement and half-truth has in no way contributed to providing the layman with an understanding of advertising.

This chapter is intended to clarify this situation by explaining the structure of the advertising industry and the advertising process. In doing so, however, we must necessarily be selective. The advertising industry has been described as the country's largest service industry (Thiele T257). Total advertising expenditures of about twenty billion dollars per year place advertising in the top twenty industrial group categories (Thiele T257), and it provides employment for over one million people. Yet, the industry is by no means a monolith -- and probably ranks among the most organizationally complex in the American economy. Consequently, we shall focus on national brand advertising for our description. National brand advertising is "advertising of any trade-marked product that potentially could be sold by dealers throughout the nation; the advertising of a manufacturer or producer in contrast to a retailer."[1] We also distinguish brand advertising from institutional or corporate advertising. The latter emphasizes the idea that the particular firm is a good firm to do business with,[2] rather than stressing particular goods or services. National advertising currently amounts for over half the total amount of advertising expenditures:

Table 1

Breakdown of Advertising Expenditures, 1971[3]

National Advertising (Brand and Institutional)	$11,720,000,000
Local Advertising[4]	8,780,000,000
	$20,500,000,000

With primary focus, therefore, on national brand advertising, we shall first describe the institutions involved in the industry, and the way in which these institutions interact. We shall then follow through the development of an advertising campaign for a new product. We chose a new product, rather than an existing product, because it illustrates more clearly some of the basic issues in the advertising process. In addition, the importance of new product proliferation in the changing marketing environment (discussed in Chapter One) makes it an appropriate choice. Nonetheless, the reader should remember that most advertising decisions do relate to established products.

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[1] Harry W. Hepner, Modern Advertising: Practices and Principles (New York: McGraw-Hill, 1956), p. 724.

[2] John S. Wright, Daniel S. Warner and Willis L. Winter, Jr., Advertising (New York: McGraw-Hill, 1971), p. 172.

[3] Estimates provided in personal correspondence with Mr. Robert Cohen of McCann Erickson. Mr. Cohen has maintained records of advertising expenditures for the past twenty years.

[4] Most local advertising is of the retail type, attempting to persuade consumers to purchase at a particular retail establishment. For other definitions of national and local advertising, see Thiele (W6).

The Institutions of Advertising

The Advertiser

Although the glamor of "Madison Avenue" generally attaches itself to the agency, it is the advertiser who is the driving force of the industry. It is the advertiser who manufactures the product or provides the service; it is the advertiser who is identified with the offer, by brand or corporate identification; it is the advertiser who bears ultimate responsibility for marketing plans; and it is, of course, the advertiser who pays for the advertising.

Companies organize in a variety of ways to handle the task of advertising (Thiele W7). Factors influencing the type of organization include importance of advertising to the company, the nature of the client-agency relationship, and the management philosophy of the company.

A typical advertising department in a consumer goods marketer might be located as shown in Figure 1, presented by Mr. Thiele in the hearings (T261). Thus, the managers of advertising and sales report directly to the Marketing Director, as do both sales promotion and merchandising.

The advertising department itself may be organized in a variety of ways: by function, by product, by end use, and by geographical area.[5] The advertising department of General Mills, for example, was at one time organized on both a commodity and functional basis, as shown in Figure 2.[6]

The advertising staff of a large consumer goods marketer may often amount to more than one hundred people, specializing in research, copy, media, and other aspects of the total advertising program (Thiele T261).

The Brand Manager Concept

Despite the fact that the advertising department exists as a functionally specialized unit in most consumer goods marketers, it would be remiss to continue without a brief description of the brand (or product) management concept. This type of organization is widely used by consumer goods manufacturers, and some familiarity with it is essential to an understanding of the advertising industry today.

Kotler credits the brand manager concept to Procter and Gamble, who introduced it in 1927.[7] Its rapid growth, however, occurred with

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[5] Wright, Warner and Winter, Advertising, p. 187.

[6] C. H. Sandage and V. Fryburger, Advertising Theory and Practice (Homewood, Ill.: Richard D. Irwin, 1971), p. 644.

[7] Philip Kotler, Marketing Management: Analysis Planning and Control (Englewood Cliffs: Prentice-Hall, 1972), p. 287.

Figure 1

Typical Advertising Department

(Large Company - Marketing Consumer Goods)

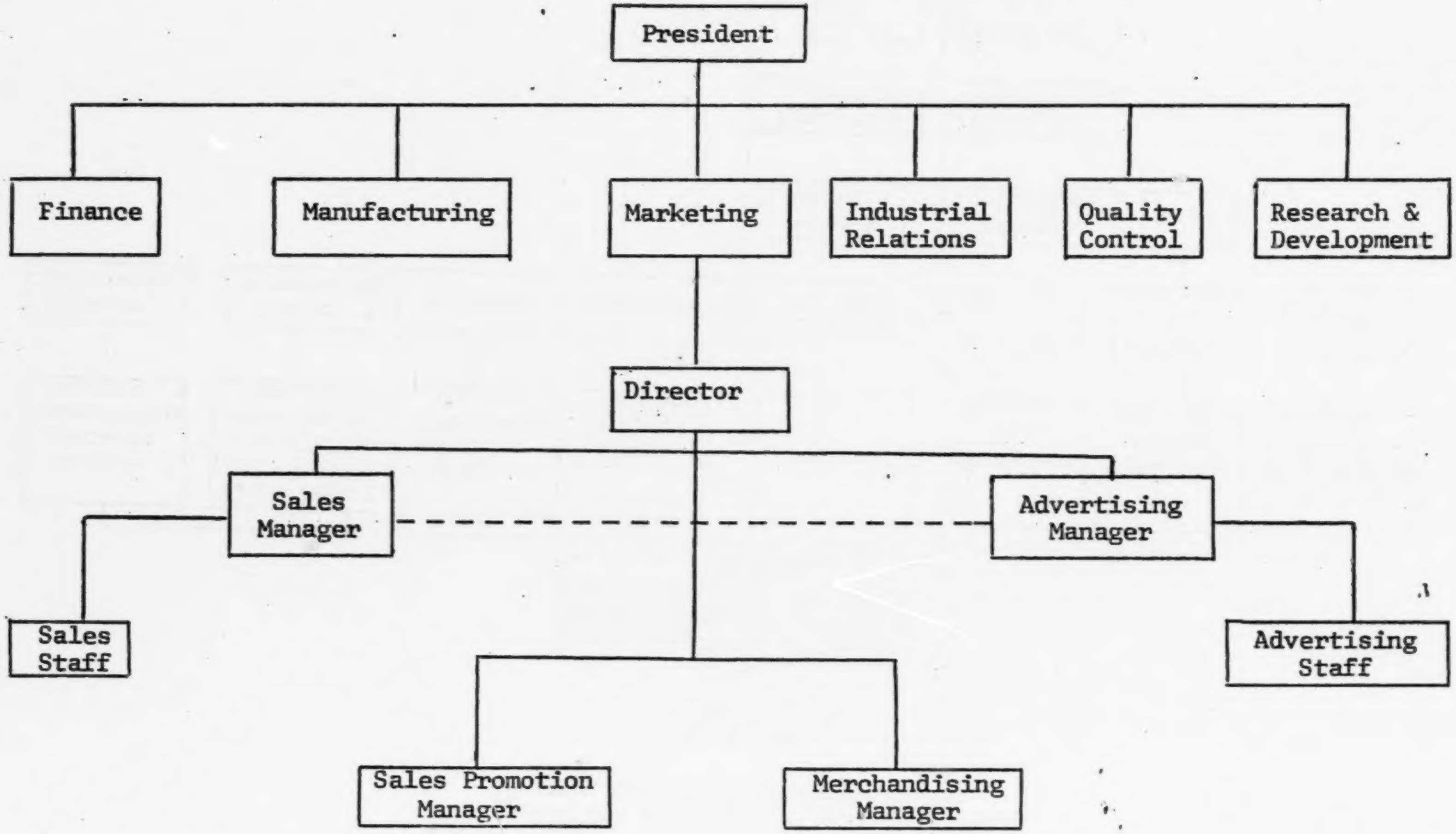
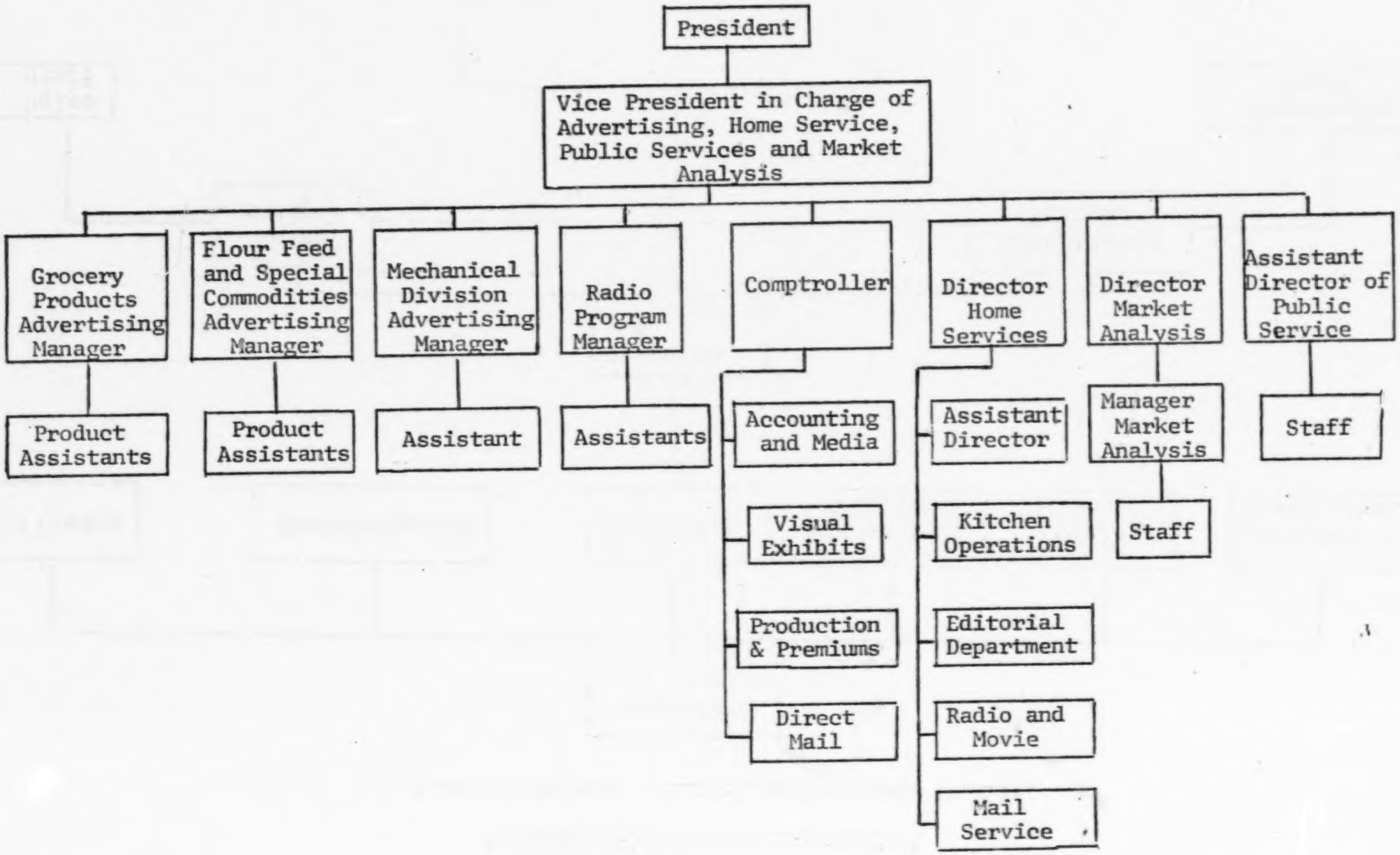

President
Finance
Manufacturing
Marketing
Industrial Relations
Quality Control
Research & Development
Director
Sales Manager
Advertising Manager
Sales Staff
Advertising Staff
Sales Promotion Manager
Merchandising Manager

Figure 2

Organization of the Advertising Department of Large Consumer Goods Manufacturer


President
Vice President in Charge of Advertising, Home Service, Public Services and Market Analysis
Grocery Products Advertising Manager
Product Assistants
Flour Feed and Special Commodities Advertising Manager
Product Assistants
Mechanical Division Advertising Manager
Assistant
Radio Program Manager
Assistants
Comptroller
Accounting and Media
Visual Exhibits
Production & Premiums
Direct Mail
Director Home Services
Assistant Director
Kitchen Operations
Editorial Department
Radio and Movie
Mail Service
Director Market Analysis
Manager Market Analysis
Staff
Assistant Director of Public Service
Staff

the burgeoning of industrial research in the post-World War II era. The consequence of this spurt in technological innovation was a proliferation of new products. In turn, this proliferation made it increasingly difficult for any one marketing executive to deal with the nuances of advertising, packaging, pricing, and so on, for a large number of brands. Quite naturally, therefore, came the necessity for increased specialization and division of labor. In this instance, however, specialization occurred along product, rather than functional, lines. Thus, the role of the brand or product manager is to develop marketing strategy for an individual brand, to see that these plans are implemented, to appraise the effects of these plans, and to make appropriate changes in strategy. One result of this development has been a shift in responsibility for advertising content, at least insofar as developing the main appeals around which the advertising campaign is built, from the advertising department per se to the brand manager himself.

However, while this system offers obvious advantages for coordinating strategy for the brand and in permitting the necessary specialization, it has some distinct drawbacks. Notably, although the brand manager sounds as if he is a "mini"-marketing manager, he, in fact, frequently does not have commensurate authority, even though he is assigned considerable responsibility. Consequently, he must rely heavily on his powers of persuasion to draw on the resources he needs to manage his brand. Sales forces, for example, generally carry a wide range of brands produced by the manufacturer; thus, the various brand managers compete "internally" for salesmen's time. In order to meet his performance objectives in sales and market share, it is essential that the brand manager retain the cooperation of those within the firm whose resources he requires yet does not possess the authority to command.

The Advertising Agency[8]

Although we have chosen to deal with the advertiser first, there is no doubt that it is the agency which most nearly epitomizes the advertising industry. Because of the importance of retail or local advertising,[9] less than half of the total 1970 advertising was placed through agencies (Thiele W7). However, most national advertisers use agencies, and it has been the agency which has nurtured advertising to its present very specialized and professional status.

The organization of a typical agency is shown in Figure 3.[10] Considering first the president, his objectives are obviously little different from those of most top corporate executives. He is responsible to the stockholders for profit performance, the quality of the agency's total output, business development, quality of personnel, and all the other things that make for a successful business enterprise. Most of the other units shown in Figure 3, however, have distinct and specialized tasks closely related to the nature of the advertising business. These we shall examine in detail.

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[8] This section draws heavily on the presentation of Edward Thiele to the FTC hearings.

[9] See p. 2 of this chapter and Bell (T100).

[10] From Thiele (W11) and Wright, Warner, and Winter, Advertising, p. 189.

Review Board

Many large agencies have a review board which acts as a quality control center for the outpuy of the agency. The board usually reviews all major marketing and advertising plans, as well as specific executions on a regular basis. Membership of the board varies by agency and from time to time, but is usually weighted toward higher-level management on the account (or client services) side.

Creative Services

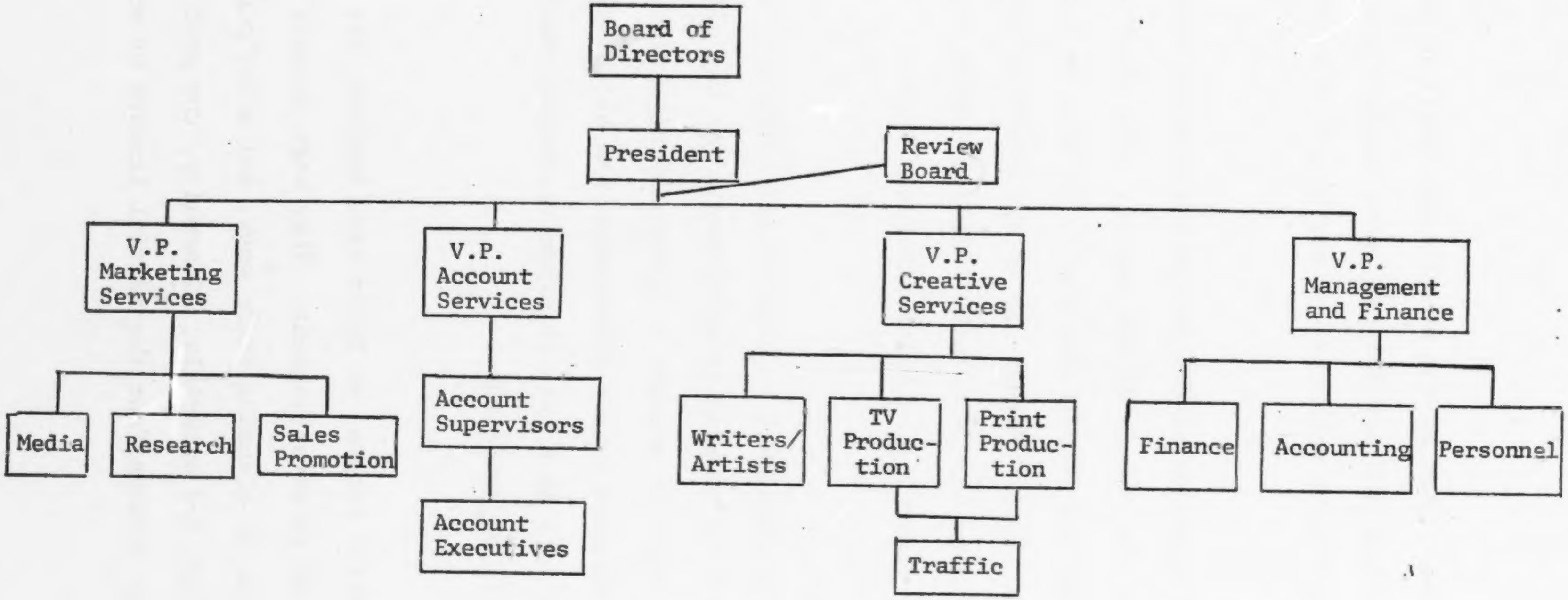
The creative personnel -- writers and artists -- use words, pictures, and music to develop advertisements for the client's product or service. The creative process is generally highly cooperative. Other agency departments supply information and objectives, and writers and art directors work as a team to conceive, write, design, and produce commercials or print ads.

Production

The production people, as their name implies, are specialists in the execution of the advertisement. They work closely with the creative department in planning their work, and often purchase the graphic art services and materials. Generally, the production people see advertisements through from the initial layouts or storyboards to the finished art.

Figure 3

Organization of an Advertising Agency


Board of Directors
President
Review Board
V.P. Marketing Services
Media
Research
Sales Promotion
V.P. Account Services
Account Supervisors
Account Executives
V.P. Creative Services
Writers/ Artists
TV Production
Print Production
Traffic
V.P. Management and Finance
Finance
Accounting
Personnel

Traffic Department

The traffic department works closely with creative personnel to ensure that all production of the agency flows on a predetermined timetable. They also handle the delivery of engravings, recordings, and films to publications, radio, and TV stations.

Client Services

Coordinating the relationship between the advertiser and the agency is the responsibility of the account staff. In charge of each account is an account supervisor, who is sometimes assisted by one or more account executives. These people interpret the needs of the advertiser, and communicate these needs to the various departments of the agency. In conjunction with the client, they often play an important part in the development of marketing and advertising strategy.

The account staff interprets these strategies to the copywriters, artists, media planners and buyers, researchers, and others in the agency who do the work of executing the strategies into a finished advertising campaign. Account personnel also present finished advertising to the client's advertising department for approvals (including medical, legal, and policy considerations), and see that the advertising is placed in media according to the approved plan.

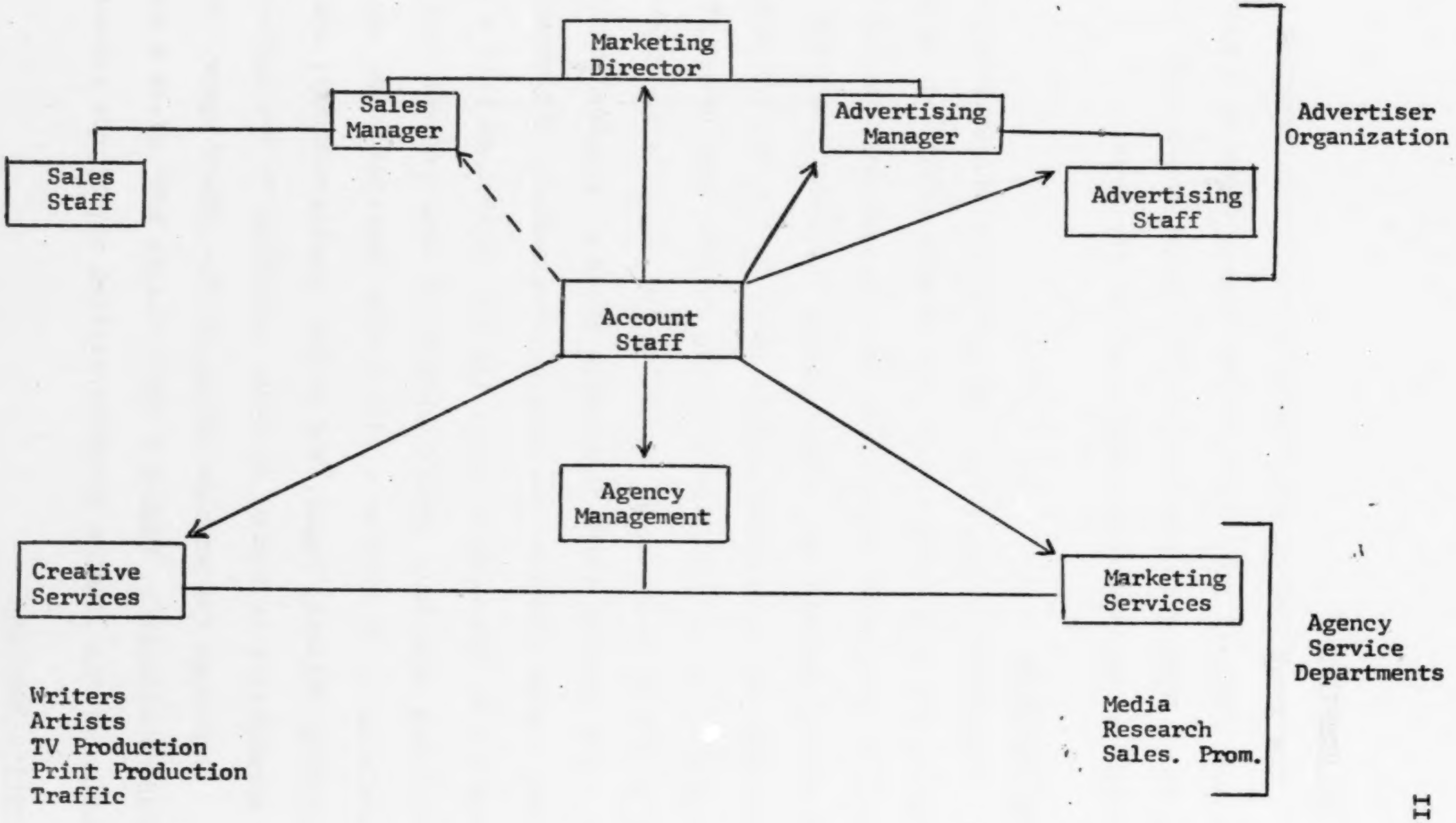
Although the precise nature of the client-agency relationship varies considerably, Figure 4 (from Thiele W15) gives a good understanding of the liaison function carried out by the account staff.

Marketing Services

Marketing Services usually includes Media and Research and Sales promotion.

Figure 4

Coordinating Function of Account Staff


Marketing Director
Sales Manager
Sales Staff
Advertising Manager
Advertising Staff
Advertiser Organization
Account Staff
Agency Management
Creative Services
Marketing Services
Agency Service Departments
Writers
Artists
TV Production
Print Production
Traffic
Media
Research
Sales. Prom.

Within the general framework set by the over-all strategy, the media department selects from the many available media vehicles the combination that most efficiently reaches the intended target market for the product or service to be advertised. Because of the very large number of alternatives that might be feasible, media people often call upon the computer to help them with their jobs. A variety of systems have been developed to aid in this "matching" of media to target audience. But, as Kotler points out, none represents an ultimate solution, and subjective judgment is still important.[11] Primary considerations in media selection are generally the demographic characteristics of the audience; and, in the case of television, this frequently involves matching advertisement and program.[12]

Research information is key to developing effecting advertising and marketing strategy. Although the information provided by any type of behavioral research is never precise, it nonetheless provides management with some understanding of who uses the product, their perceptions of the product, their reactions to its advertising, and so on. Although agency research departments still provide this information for some clients, in recent years there appears to have been a shift of responsibility for research from the agency to the advertiser and/or independent research organizations.

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[11] Philip Kotler, "Toward an Explicit Model for Media Selection," Journal of Advertising Research, Vol. 4 (March, 1964), pp. 34-41.

[12] For some relevant research, see John R. Kennedy, "How Program Environment Affects TV Commercials," Journal of Advertising Research, pp. 33-38; and Lauren E. Crane, "How Product, Appeal, and Program Affect Attitudes Toward Commercials," Journal of Advertising Research, pp. 15-18.

Sales promotion deals broadly with methods of increasing sales at point of purchase, as well as coordinating premium offers, contests, couponing, and other promotions with the advertising.

Finally, as with all businesses, there is a need for general administrative services, a personnel department, and accounting and financial services, as shown on the right-hand side of Figure 3.

The Media

From the point of view of advertising, media are means to an end. Their function is to provide a channel for the communication of messages to prospects. However, despite the auxiliary role to which this definition may appear to relegate media, the economic implications of the relationship between advertising and the media are, of course, vital. As described by Mr. Heiskell, "Advertising is the lifeblood of the press." (Heiskell W2). Advertising revenues provide almost one hundred percent of commercial television and radio broadcast revenues, and two-thirds of newspaper and magazine revenues (Heiskell W8). Further, the multiplicity of advertisers (and, hence, sources of advertising revenue) is often presented as an important factor in preserving freedom of the press (Heiskell W5, 6; Thiele T258).

Our purpose, however, and that of the hearings, is less concerned with such issues than it is with understanding the role of media in the advertising process. The channels used to communicate to prospects are shown in Table 2, together with approximate media expenditures in 1970.

Maneloveg isolates media as one of the two basic components of advertising. The first is development of the advertisement itself.

The second is to "select vehicles in such a way that the best prospects for product or service are reached enough times to foster awareness of a copy claim." (Maneloveg W1). Media allocation decisions are thus dominated by the ability of various media vehicles to reach desired market segments, and the distinguishing technical characteristics of media. Broadcast media, for example, provide an immediacy unmatched by print, but can scarcely provide the same in-depth treatment of various topics as print. Similarly, radio cannot

Table 2

Breakdown of 1970 Advertising Expenditures

Media	Amount (Millions of Dollars)	Approximate % of Total
Newspapers	5,745	29
Television	3,665	18
Magazines	1,323	7
Radio	1,278	6
Direct Mail	2,736	13
Outdoor	237	1
Other (including point of purchase, etc.)	4,731	25
	19,715	100 (does not add exactly because of rounding)

offer the visual display possibilities of television or print, but neither does print permit a dynamic display like that provided by television. We shall return to these characteristics many times, and in much greater depth later in the book.

Other Institutions

As mentioned earlier in the chapter, independent research organizations play an important and increasing role in the industry. Mr. Overholser, for example, estimated that for research used in strategy development, "almost 95 percent...is funded by the advertiser, not by the agency, and about 70 or 80 percent of it is actually executed by independent research firms on contract with the advertiser." (Overholser T293). Thus, although agencies and advertisers maintain their own research functions, the services of outside research houses, often quite specialized, are frequently essential to the advertising effort. Although it would be impossible to enumerate all such firms and their services, Table 3 lists some of the better-known examples. Management utilization of those services will be discussed in the second part of this chapter and in Chapter Three, where the respective advantages and disadvantages of the various types of research will be described. It is worth noting, however, that advertising agencies rarely rely exclusively on either in-house or outside research, but generally use some combination of the two.

The regulatory commission of the federal government of major importance to the advertising industry is the Federal Trade Commission (FTC). Since its establishment in 1914, the Commission has developed an extensive body of law dealing with deceptive acts in the advertising and promotion of goods and services.[13] The functions of the Commission will be reviewed in detail in Chapter Seven.

Table 3

Some Selected Research Organizations
and their Major Services

Organization	Major Service
A. C. Nielsen	Sales and Promotion Monitoring by Market Area
SAMI	Warehouse Withdrawals by Market Area
ARB	Broadcast Audience Measurement
MRCA	Consumer Panel Data
Simmons	Magazine Audience Measurement
Daniel Starch	Print Advertising Recognition
Gallup and Robinson	Print Advertising Recognition
Adtel	CATV Advertising Experiments
Burke Marketing Research	24-hr. Television Advertising Recall

Of secondary importance to the advertising industry are the Federal Communications Commission (FCC) and the Food and Drug Administration (FDA). The former is responsible for regulating the use of the airwaves, and for licensing both television and radio stations.

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[13] "Deceptive Advertising," Harvard Law Review, Vol. 80 (1967), pp. 1005-1163.

The latter regulates the labeling and distribution of food, drug, and cosmetic products. The impact of these mandates on advertising will also be discussed in Chapter Seven.

Finally, the various trade associations in the industry should be mentioned, not only because they played an important role in the hearings themselves, but because they have been active in the development of ideas and plans for industry self-regulation.[14] The American Advertising Federation (AAF) is an association which includes advertising clubs, advertisers, agencies, and media (Bell, T97). In this sense, it is an "umbrella" organization, whose goal it is to make advertising more effective for business and more useful to the public. The American Association of Advertising Agencies (AAAA or 4 A's) is, as its name implies, a national organization of advertising agencies (Crichton, T118). The Association of National Advertisers (ANA) is a national association of advertisers, the majority of whose members are large manufacturers (Crichton W2). A large number of other organizations, such as the NAB (National Association of Broadcasters), the MPA (Magazine Publishers Association), and ARF (Advertising Research Foundation), play a variety of roles in the industry, but we shall not elaborate on these at this point.

Development and Implementation of Advertising

Although it is important to give some description of the institutions of the advertising industry, an understanding of the industry is better achieved by examining how these organizations coordinate in the development and implementation of advertising. We shall now describe this process in some detail, thus providing a more dynamic picture of advertising and the interrelationships between the various groups involved. In order to make this description more complete, we shall begin with the case of a new product. New products, of course, involve the greatest number of fundamental advertising decisions. Thus, they represent a particularly good vehicle for our discussion, and best illustrate the intricate coordination of specialists needed to develop and implement the finished advertising. We shall also briefly trace the product through its life cycle, focusing on the impact of this process on advertising decisions.

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[14] See Chapter Seven of this report.

Developing a New Product

Increasing numbers of new products have characterized the marketplace since World War II. A 1967 study indicated that over 50 percent of the brands on supermarket shelves were nonexistent ten years previously (Claggett W1). Despite this rapid turnover of products, however, new product innovation remains a very risky undertaking for the manufacturer. As Tivoli argues,[14] if producer control is as great as suggested by critics such as Galbraith,[15] it is curious indeed to find so many failures of new products. Nor are these failures restricted to smaller companies, for as Mr. Abrams pointed out, some of the largest, most astute marketers have also had crashing failures (Abrams, T1771). A study by Booz, Allen and Hamilton found only 1.7 percent of all new product ideas becoming ultimate commercial successes; and, of those products actually introduced, almost 40 percent were unsuccessful. As Table 4 indicates, these percentages varied little across industry groupings although within these groupings some firms were much more successful than others. The risk of innovation is further increased by the shortening of product life cycles which appears to be taking place (Claggett W7).

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[14] G. William Tivoli, "Has the Consumer Really Lost His Sovereignty?", Akron Business Business and Economic Review, Vol. 1, No. 4, Winter, 1970, pp. 33-39.

[15] John K. Galbraith, The New Industrial State (Boston: Houghton-Mifflin, 1967).

Despite the risk, however, firms must innovate if they wish to continue to grow, for it is increasingly commonplace for more than 50 percent of a company's sales to come from products new in the last ten years.[16] Accordingly, quite elaborate procedures have been developed for attempting to minimize the possibility of introducing unsuccessful new products.[17] Consumer goods companies are also using "venture teams," composed of a marketing executive, a market research manager, and a research and development expert, all of whom spend a great deal of time on consumer research (Claggett W9).[18]

During the hearings, William Claggett, Vice President of Ralston Purina, described how most new product development procedures in the

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[16] Booz, Allen and Hamilton, The Management of New Products, 1968.

[17] See, for example, Edgar A. Pessemier, New Product Decisions: An Analytical Approach (New York: McGraw-Hill, 1966).

[18] See, also, Harper W. Boyd, Jr. and William F. Massy, Marketing Management (New York: Harcourt, Brace, Jovanovich, 1972), pp. 278-9.

Table 4

Commercial Success Percentages for New Products

	New product ideas	Product development projects	New products introduced
All industry groups	1.7	14.5	62.5
Chemical	2	18	59
Consumer packaged goods	2	11	63
Electrical machinery	1	13	63
Metal fabricators	3	11	71
Non-electrical machinery	2	21	59
Raw material processors	5	14	59

From Booz, Allen and Hamilton, Management of New Products, 1968 food industry could be broken down into six stages: opportunity analysis, consumer need identification, idea generation, idea evaluation, research and development on the product, and test marketing (Claggett W10). Mr. F. Beaven Ennis dealt with this process in more detail, by specifically focusing on the interrelationship between advertiser and agency during product development.[19] Although these phases are by no means the only way of describing the process, they are quite similar to those offered by other practitioners.[20] Let us briefly examine these phases, focusing on the interplay between client and agency.

In opportunity analysis, various product classifications are screened, and in-depth analyses of product categories are conducted to determine where potential weaknesses lie. An opportunity may well result to develop a product improvement or a new product. Factors used in this stage of the process include industry and product class criteria, importance of product category, growth forecasts, competitive offers and developments, and methods of sale and distribution.

Next, an analysis is made of how consumer needs are changing, and why. While food manufacturers are always seeking innovations in food technology, packaging, and so on, their search must take them beyond their own industry to considering the appliances and utensils needed by the consumer.[21] Procter and Gamble's engineers, for example, invented a dispenser for washing machines which made it easier for the consumer to use a fabric softener, which was produced by Procter and Gamble.

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[19] The next section draws heavily on the written presentations of Mr. Claggett and Mr. Ennis.

[20] See, for example, Marketing Testing Consumer Products: Experiences in Marketing Management, No. 12 (New York: The Conference Board, 1967), pp. 30-31.

The opportunity analysis and need identification set the stage for idea generation. While most companies use a wide variety of sources for new product ideas, many of the ideas in the food industry are generated by individual or group consumer interviews. At this point, preliminary estimates of financial viability may be undertaken, and the agency's opinions on marketing potential of the proposed product may well be solicited (Ennis W3).

The next stage in the process is concept testing. The product concept is sometimes stated in words; other times, a preliminary prototype model of the product (a 'protocept') is developed, although this is frequently not a "working" model. Product concepts are usually tested on consumers (Claggett W12), as well as being evaluated by agency and client[22] (Ennis W6). At about this stage, the technical feasibility of the product is also being established. Thus, work on advertising and packaging begins, and the agency is briefed on the product's technical features (Ennis W5).

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[21] For an example of this type of analysis, see Harper W. Boyd Jr. and Sidney J. Levy, "New Dimensions in Consumer Analysis," Harvard Business Review, Vol. 41 (November-December, 1963), pp. 129-140.

[22] For a detailed discussion of new product development utilizing verbal descriptions of product concepts, see Volney J. Stefflre, New Products and New Enterprises: A Report on an Experiment in Applied Social Science, Laguna Beach, Calif., 1971: Stefflre Associates. For a briefer discussion of concept testing, see Market Testing Consumer Products: Experiences in Marketing Management, No. 12 (New York: The Conference Board 1967), pp. 44-59.

Meanwhile, a product prototype is developed. After the prototype has undergone laboratory testing for performance attributes, shelf life, safety, and similar factors, the agency and client review and evaluate prototype and tests to determine whether further modification is required before consumer testing (Ennis W8).

Prototypes are then tested with consumers, usually in a blind test where consumers are unaware of the brand name. In addition, the brand may be identified, and consumers exposed to advertising, in order that the company can evaluate how the product meets its promotional claims (Claggett W14). The agency is then briefed again, and the need for further modification is discussed. Since it is often difficult to satisfy all the demands of all consumers economically, the dispensable and indispensable characteristics of the product are carefully reviewed to determine possible "trade-offs." For example, eliminating one product feature that might appeal to only a small market segment may substantially enhance the performance of another feature which might appeal to a large market segment. Agency opinions and questions concerning the product's advantages and disadvantages are actively sought by the manufacturer at this point, and the agency will also start to explore the specific types of claims that can be made about the product. This briefing is described by Ennis as "virtually mandatory in the advertising development process" (Ennis W13) because many of the issues can only be resolved by technical experts, such as R & D engineers.

Test Marketing

Test marketing is a crucial stage in the process of new product development. A test market involves simulation of a full national plan for a new product introduction, but on a smaller scale. This scale may range from a "mini-market" initial testing, in a few representative stores, all the way up to introduction in a number of "representative" cities encompassing five percent or more of the total U.S. population.[23]

The importance of test marketing for new products means that a considerable amount of research effort is directed here, in addition to normal pre-testing of themes or specific copy appeals. Testing of advertising and "weights" (or spending levels) is an important component for much test marketing. The results of such tests are an important input to the process of allocating marketing resources (Hardin W6). Presumably, to avoid conflict of interest problems, the agency is often not as directly involved in the design of the test, although the results are important feedback to agency personnel, as well as to the advertiser. Any alternative advertising plans incorporated, however, will have been subject to careful review and discussion by client and agency.

While the product is in test market, a variety of marketing research will be performed. To measure sales, store audits are conducted, and warehouse withdrawals, factory shipments, and trade reactions are monitored. Consumers are interviewed and advertising tested, all with a view toward evaluation and improvement (Claggett W14). Research costs may even outweigh promotional costs in test markets; but, despite the fallibility of research, these costs are more than outweighed by the risks involved in "going national" prematurely.

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[23] For a discussion of different types of test marketing, see Market Testing Consumer Products: Experiences in Marketing Management No. 12 (New York: The Conference Board, 1967), pp. 83-138.

Two key factors emerge from this brief overview of the new product development process. One is the important role played by consumer research. This we shall return to in later chapters, examining in some detail the methods used. The second is the ongoing and vitally important liaison between agency and client. This we shall now treat more specifically, as we consider the role of the agency in developing advertising.

Designing an Advertising Strategy

Charles E. Overholser, Vice President and Director of Research at Young and Rubicam, described three basic steps in formulating advertising strategy: product class definition, prospect group selection, and message element selection (Overholser W2). Research is an important input to each of these steps, as we shall see in our discussion.

The definition of product class may seem a trivial problem. However, its importance to the marketer lies in his "positioning" of his product vis-a-vis the consumer's alternatives of choice. Unfortunately, the latter do not necessarily correspond to traditional definitions, which are often based on physical product characteristics, or customary trade practice. Consider, for example, the choice by the housewife in selecting a dessert for the family. She may choose from gelatins, "instant" puddings, canned fruits, fresh pastries, frozen pies, home-made pies (with canned fresh filling, and prepared or home-made pastry), and probably a variety of other alternatives which we are not imaginative enough to envisage![24] Defining the appropriate product class is clearly not simple; and, as new products proliferate, the tendency to compete across, rather than within, traditional product classes is increasing. What this really means is that the "traditional" product class definition is obsolete, for the definition of product class is actually shifting (T275).

In fact, the product truly exists only in the consumer's mind, in terms of the alternatives he perceives as meeting a particular set of needs. This we call his evoked set of alternatives, a construct upon which we shall elaborate in Chapter Four. Recent developments in research technology, collectively described as "perceptual mapping," offer considerable insight in this area to the advertising strategist.[25]

Nonetheless, the strategist must still decide whether to compete broadly or narrowly within a traditional product class, or rather to attempt to position himself against some other product class. Thus, research is keyed to the issues of expandability and segmentability of the "conventional" product class (Overholser W3). Very often, the answers to these questions lie much more in consumer perceptions and values than in physical product characteristics -- hence, the importance of consumer research. This research helps the agency understand the significance of various product attributes to the consumer, and how difficult or easy it may be to induce trial of the brand. Ultimately, however, the final decision on positioning reflects a blend of judgment with research (Overholser T281).

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[24] For further examples, see Overholser T276-280.

[25] The work of Stefflre in this area has already been referred to. See also Donald R. Lehmann, "Evaluating Market Strategy in a Multiple Brand Market," Journal of Business Administration, Vol. 3 (Fall, 1971), pp. 15-26.

The Creative Process

The important role of research in aiding the development of advertising strategy was evident in the foregoing discussion. However, selecting an appeal is a far cry from a finished advertisement, for that appeal must be persuasively communicated. This is the task of the creative process. (Mr. Dillon traced in some detail the anatomy of the consumer decision process, indicating how this information is used in the creative process /T311-319/). Again, identification of the prospect group was stressed, together with a problem-solving view of the consumer. The creative personnel gain insight into the communications task by sitting in on focus group interviews with consumers who are involved in the product class in question (see, also, Harvey T1645). These group interviews often serve as pilot studies for more structured research with larger samples. These larger samples can also serve as input to the creative process, although it is not always easy to coordinate effectively the contributions of research to the creative process.

Selecting the prospect group is similarly dependent on both judgment and research. A number of factors are used in this decision process. Usage patterns are clearly important; however, it does not necessarily follow that heavy users are the best prospects, since they have often developed strong habit patterns (Overholser W9). Specific "attitude groups" are also considered, including attitudes of users of competing brands. Consumers may also be segmented into groups on the basis of the benefits they seek from a product,[26] and this information is also useful in selecting a prospect group. Despite recent advances in research technology, choice of the target group also reflects a considerable amount of judgment.

From the above discussion, it should be evident that there is considerable interrelationship between product class definition and target selection. Similarly, in determining the appeal to be used, there are analogous interrelationships. Technical product performance data, information from consumer testing, and consumer preference data are used as research inputs at this stage (Overholser W14). Overholser stressed the difficult trade-offs involved in this decision, pointing out that there is sometimes a difficult choice between "emphasis on an important but genuine quality, or on a somewhat less important but differentiating quality" (Overholser W15).

In addition to consumer research, however, creative personnel will use inputs from all possible sources in agency and client. They often visit the manufacturer's plant, for example, to talk to engineers, researchers, and others involved in the technical part of product development. Their essential task, however, is to visualize the product through the eyes of the consumer (Dillon W29). Through this process, creative personnel develop the "copy concept," that is, defining the idea of how to communicate the main appeal.

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[26] Russell J. Haley, "Benefit Segmentation: A Decision-Oriented Research Tool," Journal of Marketing, Vol. 32 (July 1968), pp. 30-35.

The next step is execution in preliminary form, such as a rough layout for a print ad, or a storyboard for a TV ad. A variety of initial executions will generally be prepared, and a number of alternatives (even for television commercials) may be developed as test advertisements.

Advertisement Production

While the parameters of the ad execution are set by creative personnel, the production of the advertisement is a task for technical specialists. Gordon Webber, Vice President of Benton and Bowles, dealt in some detail with the problems and techniques of proeucing an advertisement (T352). Techniques, such as touching up photographs, using color correction, use of lenses, and use of product mock-ups, are of great concern to regulators, consumerists, and industry. We shall postpone discussion of these issues until Chapter Five, where they will be given detailed consideration.

Communications Testing

As Mr. Light's testimony indicated, there is little agreement over the best way to measure the effects of advertising (Light T438). Part of this disagreement may result from differing views as to how advertising works. Part of it is certainly due to differing appraisals of the costs and benefits attached to various testing alternatives. All would agree, however, on the necessity for some sort of testing of effectiveness; and, scholars, as well as practitioners, have devoted a considerable amount of effort to the problem.[27]

One way to partition advertising testing is on the basis of whether it is performed before the advertising is printed (or aired), or afterwards ("pre" versus "post" testing). The advent of services like Adtel[28] has made this division less distinct than in the past, but it is useful to our purposes. Thus, the present discussion is confined to "pre"-testing. We shall deal with "post"-testing (or measuring the results of advertising) later in the report.[29]

Despite the devoted efforts of advertiser and client, there is still no assurance that the advertisement is a "good" one.[30] Hence, before the advertisement is implemented as part of the marketing plan, it will generally be pre-tested (or copy-tested) on a sample of consumers. Mr. Light described a variety of these techniques, including theater-testing for TV commercials (T443), dummy (or mock-up) magazine tests and portfolio for print advertisements (T444), and the use of depth interviews (T445). Usually, a variety of advertisements is tested in this way, and the copy-testing used to eliminate those ads which appear to be ineffective. This is done, therefore, prior to the time that media expenditures are incurred. Despite the fact that such research is known to be unreliable (Light T447), there is, nonetheless, some potential for cost saving.[31] Thus, pretesting of advertisements remains an important component of the advertising process.[32]

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[27] See, for example, John J. Wheatley, ed., Measuring Advertising Effectiveness: Selected Readings (Homewood, Ill.: Richard D. Irwin, 1969); and Darrell B. Lucas and Stuart Henderson Britt, Measuring Advertising Effectiveness (New York: McGraw-Hill, 1963).

[28] See page 17 of this chapter.

[29] For a detailed description of the many approaches to measuring advertising audiences and effects, see Appendix 2 of this report.

[30] "Good" here refers to the extent to which the advertisement contributes to the advertiser's goals, whether these goals are to create awareness, change attitude, increase sales, or some other alternative. For a more complete discussion, see Chapter Three.

Media Selection

The function of media is to enable the advertisement to reach the prospect group effectively, through the selection of appropriate vehicles. According to Maneloveg, the type of message is the most important factor in determining media type (Maneloveg W3). If a dynamic demonstration is required, television is probably the best choice. On the other hand, if the goal is identification, with a short sales pitch, outdoor display may be ideal.[33] However, the key problem of the media man is generally to select those vehicles which reach the brand's prime prospects, the target selected in developing advertising strategy for the brand. For television, this would involve selecting a program known to appeal to the target audience, and matching the commercial on that basis (Maneloveg T462, T481). A variety of research inputs are employed in this process, including client, agency, and outside services (Maneloveg W4). Most (though not all) of these data are demographic, and the "matching" of vehicle (or program) to target takes place using such statistics as age, income, sex, education, and so on. More recently, in making their decisions, media strategists have also been attempting to use psychographics; that is, information on the interests and life styles of the audience of media vehicles. However, the use of demographics still predominates (Maneloveg T461).

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[31] For a fuller discussion of some of the problems of copy-testing, see Shirley Young, "Copy-Testing Without Magic Numbers," Journal of Advertising Research, Vol. 12, No. 1 (February, 1972), pp. 3-12.

[32] A recent development in the pre-testing of advertising is described in Lewis C. Winters and Wallace H. Wallace, "On Operant Conditioning Techniques," Journal of Advertising Research, Vol. 10, No. 5 (October, 1970), pp.39-45.

Having selected media and vehicles, the media man also decides how to vary his advertising by geographic region, or by demographic group. Regional editions of national magazines, and use of TV spots permit considerable flexibility in "weighting" for the national advertiser. Thus, though using ostensibly "national" media, advertisers may spend more on advertising per capita in one area than another, depending, for example, on estimates of market potential. Media planners usually judge the effectiveness of various alternatives by the cost per thousand (cpm). It is important to note, however, that this statistic is generally cpm

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[33] A study which provides some insight into interrelationships between media and message is reported by J. Douglas McConnell, "Do Media Vary in Effectiveness?" - Journal of Advertising Research, Vol. 10, No. 3 (October, 1970), pp. 19-22.

prime prospects, reflecting the contemporary importance of market segmentation and differentiated products. These decisions are, of course, moderated by availability of space, subjective judgment on the part of the decision-maker, strategy of competitors, and budget constraints. Thus, efficiency, as judged by cpm figures, is moderated by judgments of effectiveness in developing a media schedule.

Clearance Procedures and Safeguards

Philip Schwartz, a lawyer specializing in the legal problems of advertising, described the variety of procedures used to ensure the legality of advertising (Schwartz T530). Many agencies and clients have lawyers on their staffs, while others retain outside counsel. Thus, legal (and, where necessary, technical) advice is available throughout the process of developing advertisements. Counsel are usually involved very early in the process, evaluating copy claims, proposed production techniques, and any other legal implication of the proposed advertisement. The ads are also checked for conformity to media rules and NAB regulations. In some agencies, media approval is sought at this stage, prior to producing the advertisement.

The lawyers' comments and questions are reported back to the agency and the client. At the agency, the account group is normally responsible for obtaining the basic substantiation required from the client, or other sources. When necessary, liaison meetings between the lawyers, accounts groups, creative groups, and the client, are held. All questions are discussed, and must be resolved to the satisfaction of the lawyers.

A pre-production clearance is also required by most agencies, especially for television commercials. Thus, the lawyers have the chance to check out the proposed production techniques for the ad, as well as the ad itself, prior to its being produced.

Once type has been set for print advertising, there is normally no need for final clearance by lawyers (Schwartz T539). A careful review of TV commercials against proposals is necessary, however, to determine if there is discrepancy between the proposal and the result. Modification is necessary for any ad which fails to pass this clearance.

A further check is provided by the broadcast standards, or continuity clearance department, at the major networks. The NAB also has developed standards, and uses outside experts to help adjudge compliance. Whereas media scrutiny is ongoing, the NAB uses codes and a type of "sampling." Advertisements in certain product categories must be pre-screened by the NAB, but Mr. Schwartz claimed that it will often act, at public or member behest, either before or after an advertisement is aired (Schwartz T542). Magazines and newspapers also have advertising standards personnel who decide whether or not the advertisement should be run in proposed form. The various types of self-regulation will be discussed in detail in Chapter Seven.

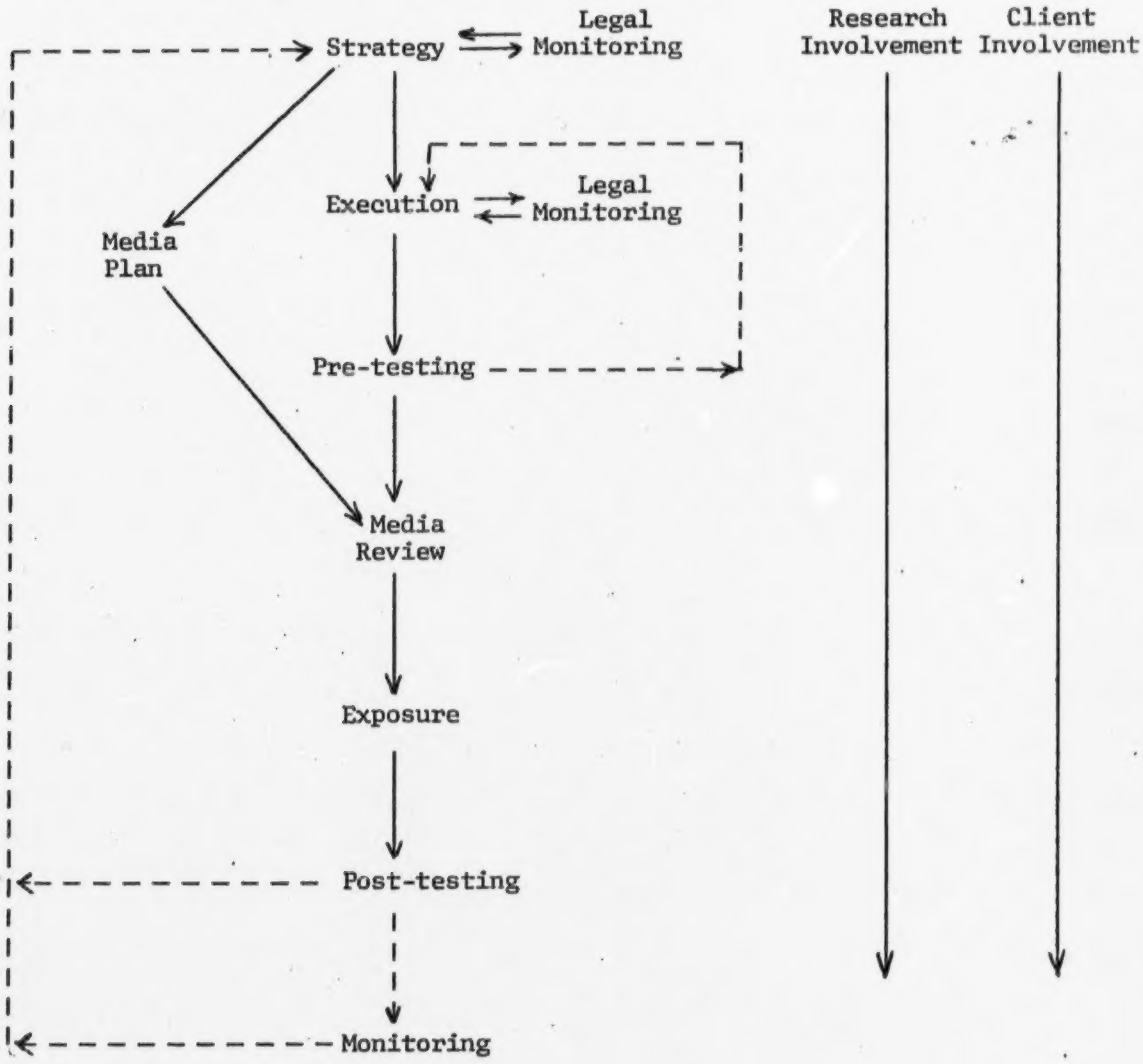
Summary and Conclusions

This chapter has all too briefly discussed the institutions of advertising, and the process of advertisement development. In describing the process whereby advertisements are developed and readied for implementation in the national marketing effort, we chose the example of a new product. Such new products and the accompanying marketing technology are, of course, representative of the "new industry" whose emergence we referred to in Chapter One. In addition, attending to the instance of a new product enabled us to follow through the ad development process in its entirety--a major objective of the chapter. It also illustrated the complexity involved in coordinating an industry of specialists toward a common objective.

We have, however, stopped short in our description. Figure 5, which provides an overview of the entire process of developing and implementing advertising, indicates that we have halted our description at a point prior to exposure of advertising to the consumer. This is because, in stressing the process of ad development, we have spent little time dealing with the important issue of how advertising is integrated into the marketing plan. To this subject, we devote Chapter Three. It may also be that our focus on new products has obscured the fact that, at any one time, the vast majority of advertising is concerned with established, rather than new, products. Consequently, most advertising decisions refer to ongoing management of the brand's advertising program. In Chapter Three, we focus on monitoring, reappraising, and changing marketing and advertising strategy. This chapter is, therefore, more relevant to the case of established products. Finally, we have spent little or no time dealing with how advertising affects the consumer. This is the subject of Chapter Four.

Figure 5

An Overview of the Advertising Process


Strategy
Legal Monitoring
Research Involvement
Client Involvement
Media Plan
Execution
Legal Monitoring
Pre-testing
Media Review
Exposure
Post-testing
Monitoring

CHAPTER THREE

THE ROLE OF ADVERTISING IN MARKETING STRATEGY

The purpose of this chapter is to describe the role of advertising in the firm's marketing strategy. We shall, therefore, be building on the foundation of Chapter Two to examine the relationship of advertising to other forms of promotion, and the ways in which it may be incorporated into the marketing mix.

A considerable part of this chapter will deal with setting objectives for advertising, and the methods of measuring performance against those objectives. This focus brings two major benefits. First, by examining the ways in which practitioners attempt to measure and evaluate advertising for their purposes, we should derive insight into the problems involved in such measurement and evaluation for public policy purposes. Second, a careful review of advertisers' objectives is a vital part of our task. If advertisers' objectives are found acceptable, critics can only legitimately take issue with the means used to achieve those ends. In Chapter Five, we shall deal extensively with advertising techniques: that is, the means by which the advertiser attempts to achieve his ends. In Chapter Three, however, our discussion will be concerned mainly with objectives.

The content of this chapter should also aid in clarifying one of the major sources of confusion about advertising. Since the revelations of The Hidden Persuaders[1] (or possibly even before), many persons have held what we believe to be an exaggerated notion of how well-informed the advertising decision-maker is in pursuing his objectives. This notion is responsible for much misunderstanding about the nature of advertising, and has greatly impeded communications among interested parties. We believe that a realistic understanding of both the strengths and the weaknesses of management's knowledge of advertising will dispel unfounded beliefs and, thus, provide a much better climate for the development of public policy.

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[1] Vance Packard, The Hidden Persuaders (New York: David McKay and Company, 1957).

Development of Marketing Strategy

Developing marketing strategy requires answers to two basic questions: "Which products?" and "Which markets?" Of course, as the Chapter Two discussion of product development indicated, products (and marketing programs) are generally developed with a particular market in mind. However, in Chapter Two we dealt more extensively with product than market; hence, our change in emphasis for this chapter. Again, we are fortunate in having the hearing testimony to draw on. It is rare, indeed, for a group of experienced advertising practitioners to describe, so candidly, so much about the advertising business (Crichton T119-120).

Market Definition

The post-World War II new-product proliferation has already been discussed in Chapters One and Two. Accompanying this increase in product heterogeneity, however, has been an analogous increase in market heterogeneity. First, the new types of products entering the market have created markets where none before existed. (Examples would be pocket-sized electronic calculators or transistor radios.) Second, rising affluence has enabled consumers to afford and, therefore, seek products more especially tailored to their own particular needs. Even the humble umbrella has evolved into multicolor, single transparent plastic panel, all transparent "bubble," and super-collapsible versions.

We may conceive of the firm's strategic posture as placed somewhere on these two dimensions of product and market heterogeneity. While it may, for example, choose to increase the variety of its product offering, thus uncreasing its product heterogeneity, it may still view its market as a very broad one -- more homogeneous than heterogeneous. This we might call variety strategy.[2] Alternatively, the firm may also define its markets heterogeneously, in which case it would be practicing differentiated marketing.[3] Under any type of heterogeneous strategy, it is evident that the need for information about the market is greater. As products and markets become more differentiated, the positioning decision (Chapter Two, p. 26) becomes more complex. Even under homogeneous strategy, positioning vis-à-vis competitive brands is very important, so that research information is still needed.

Market Segmentation

The concept of a differentiated marketing is usually labeled market segmentation. Thus, the search for better understanding of

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[2] William H. Reynolds, Products and Markets (New York: Appleton-Century-Crofts, 1969).

[3] Philip Kotler, Marketing Management: Analysis, Planning and Control (Englewood Cliffs, N.J.: Prentice Hall, 1967), p. 58.

markets has led to a school of "segmentation research"[4] devoted to establishing the appropriate segments toward which differentiated marketing strategy can be adopted. As well as providing some insight into the operational segments to use in allocating advertising to media, the research has been oriented toward developing an understanding -- an ad hoc theory -- of why consumers buy a particular brand. Since this understanding may reveal what consumer wants are unsatisfied, it can be useful in new product development (Overholser (T286).

There are a large number of variables which can be viewed as bases of market segmentation. To cover each in depth is beyond the scope of this report. However, a brief overview of the major types will be helpful.

Geographic variables are perhaps the simplest level at which to think of segmentation. The firm may define different regions of the country as sales territories which can then be used as one basis for planning and allocating marketing effort. Since sales data will usually be gathered in this way, it represents a particularly easy breakdown to use.

At a more complex level are demographic variables, such as age, income, ethnicity, or occupation.[5] These are the kinds of breakdowns which are part of any "standard" market research survey, and are further the type of audience data which the media have traditionally provided to advertisers. Thus, Maneloveg's discussion of media selection dealt mainly with these demographic characteristics (Maneloveg T475-476).

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[4] For some of the most recent work in this area, see Ronald E. Frank, William F. Massy and Yoram Wind, Market Segmentation (Englewood Cliffs, N.J.: Prentice-Hall, 1972).

[5] For details of standard demographic classifications, see William M. Weilbacher, "Standard Classification of Consumer Characteristics," Journal of Marketing, Vol. 31, No. I (January, 1967), pp. 27-31.

Segmentation by psychographic characteristics was briefly referred to in Chapter Two (p. 32), and has been a topic of much interest to the advertising industry in recent years. This approach reflects a belief that "buyers" needs may be more differentiated along life-style or personality lines than.... demographic lines."[6] A variety of personality measures have been employed in the quest for psychographic segments, and media have been moving toward supplying life-style and interest audience data to advertisers (Kelly W11).

Benefit segmentation is a further approach which Overholser elaborated on in some detail[7] (T285). He described how the dentifrice market can be divided into four benefit-seeking segments: some consumers seek maximum cavity protection; others whitening and brightening, cosmetic effects; still others seek maximum mouth and breath freshening; finally, some want maximum flavor satisfaction. Understanding of such segments should presumably assist choice of a target segment, and media appropriate to reach the segment, as well as providing insight into the types of appeals to be used in the message.

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[6] Philip Kotler, Marketing Management: Analysis, Planning and Control (Englewood Cliffs, N.J.: Prentice-Hall, 2nd ed., 1972), p. 171.

[7] See, also, Russell J. Haley, "Benefit Segmentation: A Decision-Oriented Research Tool," Journal of Marketing, Vol. 32 (July, 1968), pp. 30-35.

Other characteristics may also be used in the attempt to segment markets. The heavy-medium-light user categorization is often used to attempt to establish if demographics or psychographics offer useful ways of isolating the brand's best customers (Overholser T283). The work of Stefflre, already mentioned in Chapter Two (p. 23), is another example.[8]

If segmentation research were always successful, a number of benefits would flow to the advertiser, as well as to the consumer. The rationale underlying the whole concept of differentiated marketing is that of better matching of supply and demand (in the broadest sense). This would permit better satisfaction of consumer needs, and higher sales to the producer. (Since customers are always willing to pay more for products better suited to their needs, sales revenues should increase under differentiated marketing. Whether or not increased profits would result depends on whether the cost increases, inevitable under differentiated marketing, outpace sales revenue increases.) Operationally, the advertiser would be able to establish the relative value which consumers place on specific brand benefits (T285), and to utilize this information in advertising copy. Ideally, these dimensions would be built into the product from its inception, as advocated by Stefflre. More often, however, such dimensions are derived from consumer response to an already-designed product. The advertiser would also be able to select media which he knew would reach his target efficiently, without wasting coverage.

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[8] See, also, Volney Stefflre, "Market Structure Studies: New Products for Old Markets and New Markets (Foreign) for Old Products," in F.M. Bass, C. W. King and E. A. Pessemier, Application of the Sciences in Marketing Management (New York: John Wiley and Sons, Inc. 1968), pp. 251-268.

Unfortunately, in the real world, affairs are less encouraging. By and large, segmentation studies have offered only small gains in prediction of buyer behavior. While some segmentation studies have worked, the amount of information provided by conventional demographics, while not particularly great, is often not greatly increased by the addition of other data, such as psychographics.[9] Thus, there is frequently no relationship between demographic characteristics, such as sex, income, ethnicity, etc., and brand purchase. As a result, in recent years good market research departments have devoted considerable effort to attitude research attempting to identify dimensions of attitude. (See, for example, Achenbaum W59-60, W68-76a). However, even if dimensions are identified, evidence as to which will be most effective when embodied in advertising copy is almost unknown, since the dimensions on which the consumer is most movable through advertising are not known.

To summarize, much of the information generated by marketing research is used in advertising and marketing strategy in an intuitive way. It provides useful understanding, and is undoubtedly better than no information at all. However, judgment is still an essential part of the strategic decision (Achenbaum W54). Another way to describe this state of affairs is that a comprehensive and well-tested theory of how advertising works to affect buyer behavior does not exist.

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[9] See, for example, Ronald E. Frank, William F. Massy and Thomas M. Lodahl, "Purchasing Behavior and Personal Attributes," Journal of Advertising Research, Vol. 9, No. 4 (1969), pp. 15-24.

With such a theory, perhaps, the ascription of omniscience to advertisers could be justified; without it, it cannot.[10]

If segmentation research were to prove successful for the advertiser, however, implementation would still be difficult. Historically, the advertiser has relied on the media to provide such audience data. Yet, with a few exceptions, media can generally provide only demographic audience data which may not be relevant for segmentation purposes. Perhaps in the future, advertisers would be well-advised to make their own measures of media audience, or at least specify to the media the kind of measures they need; namely, measures in terms of the dimensions by which the advertiser wishes to segment his market.

The Marketing Mix

In Chapter Two, we focused on advertising alone. However, it is a mistake to view it as a self-contained activity (Buzzell T783), for it is but one element in the mix of activities which the firm can use in marketing its product. The particular combination of these tools used to market a product is called the marketing mix. The factors which might comprise the marketing mix of a consumer goods manufacturer are shown in Table 1. Viewed from this perspective, expenditures on advertising present about 10 percent of total marketing costs, and about 37½ percent of total marketing communications expenditures (Table 2).

Advertising's importance in the total marketing mix is more varied than the economy itself. Thus, there are considerable differences in the importance of advertising between firms in

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[10] We shall return to this issue later in this chapter, as well as in Chapter Four.

TABLE 1

THE "MARKETING MIX" FOR A CONSUMER PRODUCTS MANUFACTURER*

THE PRODUCT: DESIGN, MODELS, FLAVORS, ...

PACKAGING

PRICING: BASIC PRICE, DISCOUNTS, TERMS OF SALE

PRODUCT SERVICE: INSTALLATION, REPAIRS, WARRANTIES

CHANNELS OF DISTRIBUTION

PERSONAL SELLING

ADVERTISING

SALES PROMOTION: CONTESTS, PREMIUMS, EXHIBITS, ETC.

*From Buzzell (T788).

TABLE 2

ADVERTISING AS A PROPORTION OF THE TOTAL MARKETING MIX*

ADVERTISING COSTS IN RELATION TO TOTAL MARKETING COSTS - 1970

(ESTIMATES)

TOTAL MARKETING COSTS	$180-230 BILLION
ADVERTISING EXPENDITURES	$ 20.7 BILLION

"MARKETING COMMUNICATIONS" COSTS: SELLING, ADVERTISING, AND SALES PROMOTION

1970
(ESTIMATES)

PERSONAL SELLING	$32 BILLION
ADVERTISING	21
SALES PROMOTION	3
	$56 BILLION

*From Buzzell (T785-786)

different industries. General Motors, for example, has a 0.7 percent advertising to sales ratio; J.B. Williams (Geritol) spends 36 percent of sales on advertising (Buzzell T795). Even within the same industry, however, mixes vary considerably. In cosmetics, Avon was reported to spend 1.5 percent of its sales on advertising, while its competitor, Revlon, spends 7 percent. Avon spends 40 percent of the sales price in commissions to its salesladies, while Revlon spends less than that on margins to retail stores (Buzzell T807). Electrolux and Hoover can be similarly contrasted in the electric sweeper industry (Buzzell T808). These widely differing expenditure levels reflect the very different roles which advertising plays in the marketing mix. Some of the factors affecting the role of advertising are outside of management's control. Often, however, the role of advertising is a result of management strategy. Let us briefly examine some of these factors.

One of the most important factors is the number and accessibility of potential buyers. If there are a few readily identifiable prospects, who can be reached by personal contact, advertising communication is likely to be unimportant, particularly if the purchase is large. This is true of many industrial products (Buzzell T800). As the number of potential customers increases, advertising is likely to be more important -- though this is by no means an inviolable rule, as the Avon example indicates. Similarly, the role of advertising is affected by stage in the product life cycle (Buzzell T803). When the brand is new, the advertiser is out to create awareness of the new brand, to point out how it differs from existing brands. Thus, advertising is probably most important early in the product's life cycle.[11] Later, the importance of word-of-mouth feedback and direct experience with the brand begin to assert their influence on consumer brand choice, and the brand's margin of differentiation may decrease as competitors enter the market. Hence, the importance of advertising diminishes. Table 3 summarizes this viewpoint.

The role of advertising in the mix is also strongly affected by management strategy. First, as Mr. Nevin's discussion brought out, management's decisions affect the allocation of expenditures among different components of the communication mix (Nevin T820). Second, qualitatively different specific objectives can be set for advertising within the communications mix. A 1962 Conference Board study of 300 companies[12] found over 90 different objectives, some of which are shown in Table 4. Third, we have thus far discussed the advertising decision only at a horizontal level, in terms of advertising to the buyer. In fact, there is also a vertical dimension. Besides the national and local advertising which the manufacturer and his dealer might employ, there is also the option of cooperative advertising where expenses are shared between the two (Nevin T836). The manufacturer may also use the trade press to advertise to intermediaries in his marketing channel. Achenbaum gave a good example of how different types of communications relate to the product and the distributive structure. This is reproduced in Table 5.

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[11] Appraising the Economic and Social Effects of Advertising," News Release, Marketing Science Institute, Oct. 19, 1971, p. 4.

[12] Measuring Advertising Results, Study in Business Policy No. 102 (New York: The Conference Board, 1962).

TABLE 3

THE ROLE OF ADVERTISING CHANGES AS A PRODUCT PASSES THROUGH ITS "LIFE CYCLE"*

INTRODUCTORY STAGE:

- CONSUMER AWARENESS, KNOWLEDGE OF PRODUCT NOT YET DEVELOPED
- ADVERTISING DESIGNED TO "EDUCATE" CONSUMERS
- EXPENDITURES VERY HIGH RELATIVE TO SALES

RAPID GROWTH STAGE:

- DECLINING ADVERTISING/SALES RATIO
- BEGINNING OF SHIFT TO BRAND COMPETITION
- USUALLY, DECLINING PRICES

MATURITY:

- ADVERTISING/SALES RATIO STABILIZES
- BRAND COMPETITION AND/OR PRODUCT IMPROVEMENT

DECLINE:

- ADVERTISING CUT BACK OR ELIMINATED

*From Buzzell (T804).

TABLE 4

EXAMPLES OF ADVERTISING OBJECTIVES FOR A MANUFACTURER'S PRODUCT ADVERTISING*

TO INCREASE SALES DIRECTLY, BY:

1. ENCOURAGING POTENTIAL PURCHASERS TO VISIT DEALERS OR DISTRIBUTORS
2. ANNOUNCING SPECIAL SALES, CONTESTS, OR OTHER PROMOTIONS
3. SECURING NEW DEALERS OR DISTRIBUTORS
4. INDUCING PROFESSIONAL PERSONS (E.G., DOCTORS, ARCHITECTS) TO RECOMMEND A PRODUCT
5. DISTRIBUTING COUPONS TO BE REDEEMED ON PURCHASES

TO CREATE AWARENESS AND INTEREST IN THE COMPANY"S PRODUCTS, BY:

6. INFORMING POTENTIAL BUYERS ABOUT PRODUCT FEATURES
7. ANNOUNCING THE AVAILABILITY OF NEW PRODUCTS
8. DEMONSTRATING THE BENEFITS OF A PRODUCT"S USES
9. COMPARING A PRODUCT WITH COMPETING PRODUCTS
10. SHOWING HOW A PRODUCT SHOULD BE USED
11. INFORMING POTENTIAL BUYERS ABOUT THE COMPANY"S TECHNICAL SKILLS, PRODUCTION FACILITIES, TECHNICAL-SERVICES, ETC.
12. INFORMING PURCHASERS ABOUT WHERE PRODUCTS CAN BE OBTAINED
13. ANNOUNCING CHANGES IN PRICES, PACKAGES, LABELS, ETC.
14. PUBLICIZING A NEW BRAND NAME OR SYMBOL

*From Buzzell (T796).

TABLE 5

ROLE OF PERSONAL AND IMPERSONAL COMMUNICATION IN CONSUMER TRANSACTIONS*

	House Sale	Automobile Sale	Appliance Sale	Soap Sale
Role of Middleman	None	Exclusive Retailers only	Distributor and Non-Exclusive Retailers	Chain Retailers only
Personal Selling to Consumer	All important	Very important by Retailer	Not too important by Retailer	None at retail
Need for National Advertising	None	Important, but not relative to cost	Somewhat important relative to cost	Very important
Need for Research Feedback	None	Important relative to cost	Somewhat important relative to cost	Very important

*From Achenbaum (W48).

A final complication in thinking seriously about the effects of advertising, and the objectives underlying advertising decisions, is that advertising usually interacts with other elements of the marketing mix. If a price-cut, for instance, is at all effective for increasing sales, it is probably much more effective if it is advertised. Thus, to the extent that advertising interacts with other elements of the marketing mix, the task of understanding the role of advertising and measuring its results is more complex. Not much is known quantitatively about the nature of these interactions; but, managers undoubtedly believe they exist, and attempt to incorporate them into their marketing strategy. A humorous and useful example of interaction among the marketing mix elements was cited by Arnold:

> A few years ago Ralston Purina developed a breed of turkeys and there was a lot of information about this. You couldn't get it all into the commercials, however. So at the same time the commercials were on the air, the turkeys were on tour. They were travelled from city to city, appearing at press conferences and interviews and talk shows. Seriously. A public information program (or publicity program, if you like) was coordinated with the advertising on the air to communicate as fully as possible what these Honeysuckle Turkeys were, how they had been bred, what their benefits were to the consumer..." (T1886).

The possible variety of the marketing mix, and the complex interrelationships it encompasses, are a major impediment to the clear-cut measurement of advertising's effects. One reason often cited for using non-purchase objectives for advertising is the fact that purchase is the result not just of advertising, but of the total marketing mix. (Buzzell T786). Let us turn, then, to advertising objectives.

Setting Advertising Objectives and Measuring Advertising Effects

A basic question in examining advertising objectives is that of establishing the overall (and, therefore, guiding) objectives of the advertiser. Though the marketing concept stresses profit as an objective, we suspect that a more accurate description would be growth, with satisfactory profit as a secondary objective or constraint.[13] A "satisfactory profit" is roughly the cost of capital. Ideally, for the stock market, the level of profit should be increasing. This priority on growth over profit might seem to violate the principle that maximizing profits leads to the best allocation of resources in terms of society's needs. One of the reasons for its wide use, however, is probably the inability to use profit in an operational way. These top-level objectives are merely guides to the advertising decision, however, because at lower levels in the company the objectives must be more specific.

In fact, different people tend to make decisions about the different elements of the marketing mix, because, as we have already observed, there is a high degree of specialization of labor within the client company. The brand manager concept of organization is one attempt to rectify this fractionalization of the decision process, by assigning one person to a single brand, or group of brands, to coordinate the elements of the marketing mix. This concept implies considerable decentralization of power. But how can this be done, and adequate higher-level control over the brand operation sustained? Coordination and higher-level control are maintained in large measure through the annual marketing plan, which the brand manager must create and have approved at higher levels. A brand strategy usually guides the development of the annual marketing plan. This strategy is agreed upon with the brand manager's boss, such as the marketing manager, and is changed infrequently. The plan is a description of intended marketing activity -- including the marketing mix -- for the brand during the ensuing twelve months, quarter by quarter, and of the results the brand manager expects to achieve from that activity. The results are usually described in terms of volume of sales, market share, and profit. The plan is not only a statement of his planned action and expected results, however, but also an instrument used to evaluate him.

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[13] William J. Baumol, Business Behavior, Value and Growth (New York: MacMillan, 1959).

As a result of the ubiquity of the brand manager concept, advertising responsibility has tended to shift from the advertising manager to the brand manager. The goal structure of a company, however, probably encourages the brand manager to use more advertising than would be optimum if long-term profit alone was being pursued.[14] Although top management's goal tends to be growth with adequate profit, the brand manager is usually evaluated largely by market share. Sales volume is caused by many factors, some of which are industry-wide. By using share, higher management has a truer measure of the brand manager's performance because the industry-wide factors are "washed-out" in the share measure. Our observation is that profit is almost never used. In fact, the brand manager could not use it in his planning if he tried, because he is generally not given adequate cost data.

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[14] J. A. Howard, Marketing Management, 3rd ed. (Homewood, Illinois: R. D. Irwin, Inc., 1973), Chapter 7.

Therefore, because they tend to be evaluated in those terms, brand managers usually employ market share as their operating objective. Information for setting such objective, and monitoring their results, is readily available. Consumer brand share data for many branded products sold in supermarkets are provided in fairly precise form on an aggregate or total brand sales basis by Nielsen and SAMI, and Market Research Corporation of America provides the same by individual consumer.[15] Unfortunately, as we pointed out in Chapter Two (p. 27), the usefulness of such share data is sometimes limited because of the difference between standard industry definitions of product class, and the way in which consumers conceptualize the product class.

Further, share figures often hide substantial market dynamism. A share can be constant, but the month-to-month shifting can be substantial. The data provided by Achenbaum (W73), and reproduced in Table 6, illustrate this point well. These brand purchase patterns can be analyzed, however, to give a more precise view of what is going on in the market competitively. How many companies use this type of information is not known. It is seldom that changes in share can be related to advertising media or message to evaluate its effectiveness and, thus, to aid in making the decisions.

For all these reasons, the brand manager is likely to turn to more specific criteria for evaluating advertising itself. The bewildering variety of possible objectives, a few of which were shown in Table 4, makes this a difficult task. The brand manager, for example,

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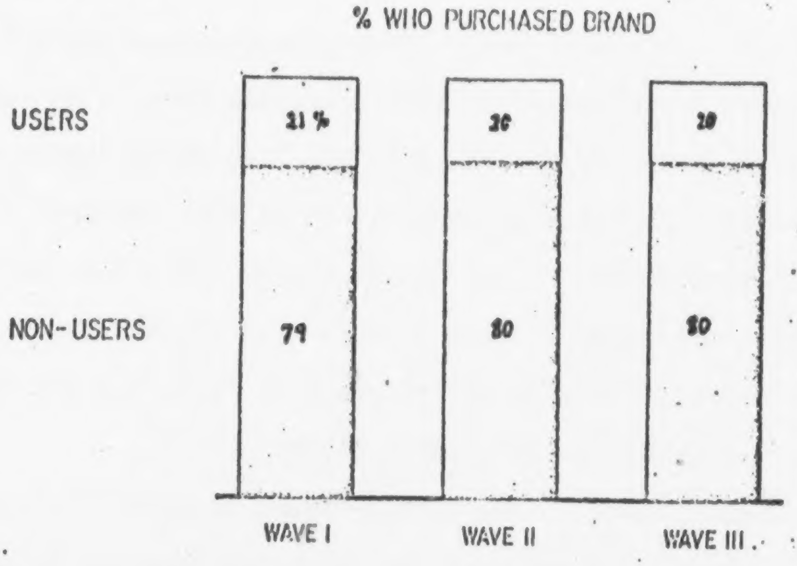
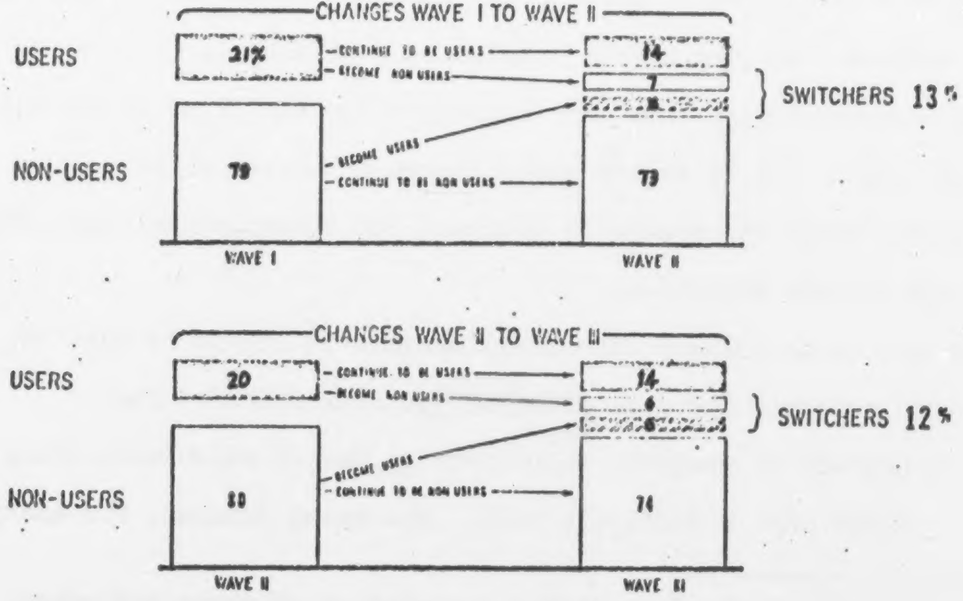
[15] See Chapter Two, p. 17, for a brief description of these and other research services.

TABLE 6

PURCHASE BEHAVIOR
WAVE I VS. WAVE II VS. WAVE III
19 BRAND SUMMARY



CHANGES IN PURCHASE BEHAVIOR
19 BRAND SUMMARY



[illegible]

[a]From Achenbaum (W72).

might say that he wants 70 percent of his advertising to inform, and 30 percent to persuade; in this way, the marketing mix will be the best combination of tools. (In fact, we suspect that the brand manager rarely thinks about this distinction, though it is a favorite subject for social commentators.) More likely, he will be more specific and say, "I want 50 percent to get attention, and 50 percent to tell them it is sweet." Or, he might say, "I want my advertising to sell both the product class, and my individual brand." In addition, he could say, "The task of my advertising is to persuade both the consumer and the retailer that I have a good brand." Achenbaum, among others, described various ways of looking at the different roles of advertising (W36-49). Other stated advertising objectives emerge from the transcript. Dr. Light says, "We want to make sure that advertising communicates honestly, completely, and effectively" (T448). These concepts, however, are probably not operational, and more specific criteria are employed. In this direction, Dr. Krugman emphasized the criterion of whether or not the consumer remembered the brand name (T212). Specifically, his criterion tended to be unaided recall of brand, or of the ad, although he recognized its flaws (T230).

Despite this heterogeneity of apparent objectives, the requirement that evaluative criteria be operational and, therefore, measurable provides some order, though certainly no consensus. In addition, the importance of outside research houses to this measurement task has introduced an element of standardization.

First, we should distinguish (as in Chapter Two) between pretesting and post-testing. The former takes place before the ad is exposed. The post-testing refers to measurement after the advertisement has been aired.[16] Second, we should distinguish between measures on purchase (or simulated purchase), and proximate measures. The latter are best viewed in terms of the so-called "hierarchy of effects,"[17] an assumed progression of advertising effects from exposure to perception, cognition and, ultimately, action. Though this model has been discredited in simple form,[18] it does provide a typology for the proximate measures of advertising effects.

Our concern here is with post-testing: that is, measurement after the ad is exposed. In Table 4, we saw how advertising objectives may frequently be stated in terms of creating awareness of products or services. Recognition methods such as those of Starch provide such a measure, although their validity has been seriously questioned.[19] Advertisers are generally more concerned that consumers acquire knowledge about the brand and its attributes. Measures of recall and specific copy point recall, such as those of Burke, enable measurement of these effects. This is the criterion mentioned by Krugman (T212), and it is generally believed to be more valid than recognition measures. Unfortunately, it is still well-removed from purchase. Somewhat closer is the attitude criterion. Achenbaum gave examples of its use (W70-79), and considerable research effort is being devoted to the subject. However, the attitude measures did not relate effects to specific copy, but were global like-dislike types of measures. Further, the evidence he presented on the importance of trial (Achenbaum W79-81) indicates the difficulty associated with bivariate views of advertising effects. Since both trial and advertising affect attitude, a valid model should include both. Furthermore, the evidence he presented indicated that the effects of advertising on attitude were quite small (Achenbaum W78).

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[16] For more detail, see Appendix II.

[17] See, for example, Robert J. Lavidge and Gary A. Steiner, "A Model for Predictive Measurements of Advertising Effectiveness," Journal of Marketing, Vol. 25 (October, 1961), pp. 59-62.

[18] See Kristian S. Palda, "The Hypothesis of a Hierarchy of Effects: A Partial Evaluation," Journal of Marketing Research, Vol. 13 (February, 1966), pp. 13-24.

[19] Appendix II.

The manager's "ideal" measure would be one which related changes in copy, media allocation, and expenditure levels to sales or purchase. As we have noted, however, this relationship is often confounded by the impact of mix variables other than advertising (Light T435). Although the Adtel service offers interesting possibilities in this area, we suspect that it is not yet widely used; and, it will be some time before it is an accepted tool in the average brand manager's kit.

In summary, recall measures are the only seriously valid test, normally available to the brand manager, which can relate the managerial, controllable variables of copy, media, and expenditure to some measure of effect. For this reason, despite the fact that they are quite far removed from purchase, they are the most widely used. In future years, we expect to see more use of attitude and purchase criteria.[20]

Experts as Judges

The Bureau of Advertising Research, in connection with a study of newspaper effectiveness, did a fascinating analysis of advertising experts' ability to predict the success of newspaper ads.[21] Eighty-three advertising managers, account executives, account supervisors, creative people, and researchers were asked to make predictions about the success of a group of ads that were later tested in the market. These people were familiar with the day-to-day problems of choosing ads, and were responsible for such decisions. Three types of ad performance were used. One measure was recall of the ad. Another was change in the consumer's attitude. The third measure was whether or not the product was purchased.

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[20] The reader is referred to Appendix II for a more detailed (though more technical) discussion of advertising recall.

The experts did reasonably well in predicting unaided and aided recall; that is, the ability of the consumer to recall the ad unaided (to recall the ad when asked what ads they had seen), and to recognize it when they were shown the ad along with other ads. On attitude, two different measures were used. The experts did predict reasonably well when the criterion was moving a brand to first choice position in the consumer's mind, given the fact that the consumer already had a favorable opinion toward the brand. When the criterion was either "probably would pick next time" or "are of the top two or three (brands) they would consider next time," the experts had no success. They were completely unsuccessful in using the purchase measure. Thus, on the measure that management is most concerned with -- revenue -- they failed badly. Interestingly enough, they believed an ad that would get attention would correspondingly increase attitude and sales, a simple hierarchy of effects model. This was obviously not the case;

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[21] What Can One Newspaper Ad Do?, Bureau of Advertising, A.N.P.A., August, 1969, Special Appendix.

if it were, the experts would have done equally well predicting all three types of criteria. Further, the more experienced expert did no better than the less experienced. Their performance does suggest, however, that recall is an important criterion in designing the advertising message.

Managing the Brand's Advertising Program

Contrasted with developing strategy for a new brand, the first stage in this process is to establish where the brand now stands. Statistics, such as sales and market share, generally by market area, are usually key factors in managers' judgments. More specifically, this monitoring process, from the perspective of advertising, focuses on measurement of effects with respect to the original goals of the advertiser (Hardin W2). While these may be increasing sales or purchases, they may also include awareness, knowledge, attitude, and preference. Thus, the advertising strategy is a plan for advertising over a period of time. It reflects management's best judgment, or forecasts, about the future marketing environment; but, the plan must inevitably be modified periodically to reflect changes in competitive strategy, general economic climate, and so on. Thus, the brand manager and the account executive will be "tracking" performance of the brand and its advertising over time, and making appropriate changes in advertising and marketing strategy.

It is in this monitoring process that the services of the outside research agencies are so valuable. Brand sales and shares are often monitored continuously using Nielsen or SAMI data. Such measures as

24-hour television ad recall, print advertisement readership and recognition scores, and panel data may also be used on a quite frequent basis to provide insight into performance of the brand's advertising. Depending on the feedback provided by such measures, the advertiser and agency may decide to increase the "weight" in some market areas where performance has been slipping, and to decrease it in others. They may also decide that new advertising is needed, or even product modification.

An interesting study on the product life-cycle, conducted by Nielsen, provides some insight into the role of advertising after the introductory growth period of a new brand.[22]

They used the term "recycle" to describe a significant nonseasonal improvement in market share trend after the primary cycle is over (i.e., after brand share had "topped out"). Sixty percent of this recycling effort was accomplished through the medium of advertising, either in the form of additional funds invested, in copy changes, or in combinations of both. In the remaining 40 percent of the recycles, the advertising effort was keyed to a product improvement or innovation.[23] Thus, although the importance of advertising alone may diminish overall as a product moves through its life cycle, it still remains a potent and useful tool to the advertiser.

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[22] The Nielsen Researcher, Chicago, Ill., A. C. Nielsen Company, No. 1, 1968.

[23] S. R. Goodman, Techniques of Profitability Analysis (New York: John Wiley and Sons, 1970), p. 87.

The Advertising Decision Process: Need for Information

Despite the fact that a variety of industry witnesses testified at some length, our discussion has been handicapped by the lack of good descriptive studies of the advertising decision process. We believe that our discussion has eliminated the possibility that marketing research is the basis of the subtle and extreme power of advertising. But, could it be that management was exerting such power in an intuitive, and perhaps unconscious, basis? Our review of experts' performance certainly does not suggest this. A thorough understanding of the advertising decision process would enable better evaluation of this hypothesis, however, as well as aiding our exposition.

The brand manager uses the same mental apparatus to make advertising decisions as he does when he makes his personal consumption decisions. He does not "put on a different head" when he buys a suit at the local men's shop than when he approves advertising copy. As we shall see In Chapter Four, the human does have remarkable capacity to take in information, and to sort the relevant from the irrelevant. The few systematic studies of managerial decision indicate remarkable capacity to deal with a complex problem. Unfortunately, these have been of repetitive decisions; and to the best of our knowledge, only one relates to advertising. It involves basically the less-relevant choice for our purposes of what products will be advertised, instead of how to design and execute the advertising.[24]

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[24] David L. Rados, "Selection and Evaluation of Alternatives in Repetitive Decision Making," Administrative Science Quarterly, Vol. 17 (1972), pp. 196-206.

However, to illustrate, we can use another marketing decision -- pricing.[25] An area manager, in charge of four states, for a large company producing and selling a frequently-purchased consumer item, had the responsibility of setting prices to the retail outlets. When asked to cooperate in a study of how he made his pricing decisions, his response was, "I don't know how I do it, and I don't think you can find out!"

After repeated interviewing over a period of six months, the model shown in Table 7 was developed and tested successfully for validity against descriptions of thirty-five past decisions from his files. Detailed records of each decision were kept, partly because of antitrust problems.

In the diagram, DM represents our area manager. In Box 1, "Watch P_{wilt}" means that he observes the information coming from his district sales managers (DSM) for indications of whether he should change the price in any given market. These are mainly salesmen's observations of competitive stations. P is "price"; W is for "wholesale"; i is for "local market"; and t is for the particular time involved. "Local market" needs some explanation. This company divides the geographic market into pricing areas, each of which in large cities can be quite small. Detroit, for example, might consist of four pricing areas. In his pricing behavior, the manager thinks in terms of these small sub-markets. In summary, he watches the wholesale price of the initiating company in the local market at the moment.

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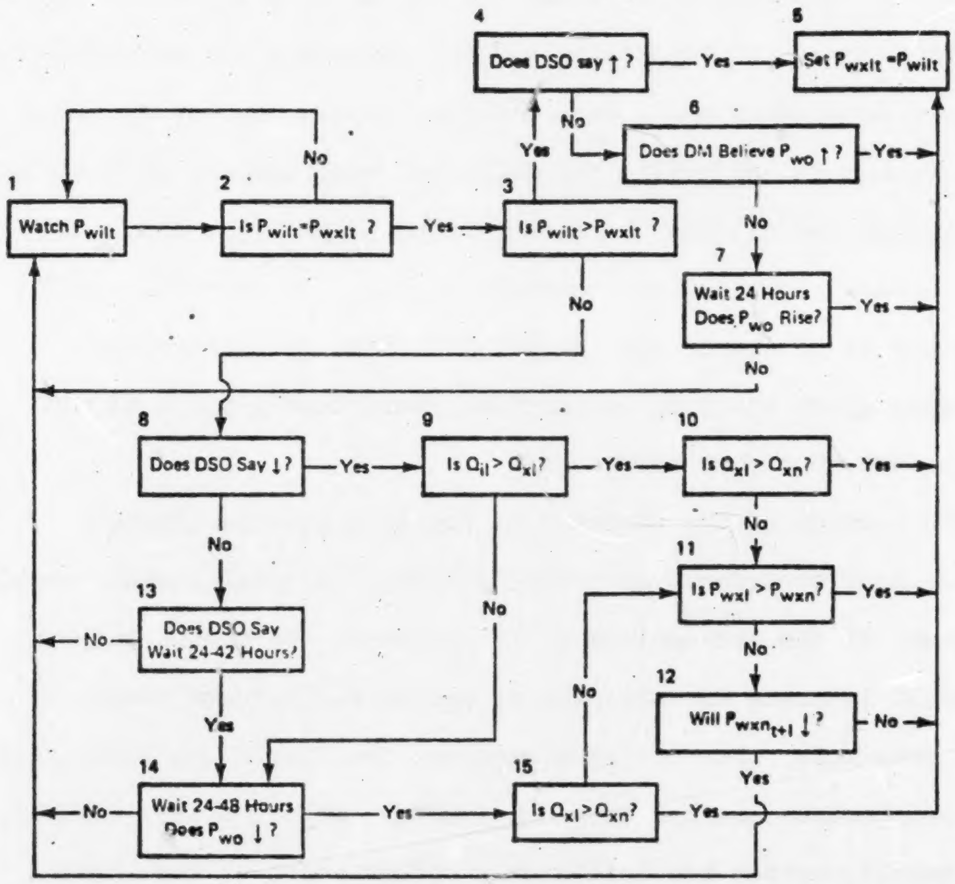
[25] John A. Howard and William M. Morgenroth, "Information Processing Model of Executive Decision," Management Science, Vol. 16 (1968), pp. B416-428.

Table 7

Model of Pricing Decision


4
Does DSO say ↑ ?
Yes
5
Set $P_{wxlt} = P_{wilt}$
No
6
Does DM Believe P_{wo} ↑ ?
Yes
No
Yes
1
Watch P_{wilt}
2
Is $P_{wilt} \neq P_{wxlt}$?
Yes
3
Is $P_{wilt} > P_{wxlt}$?
No
No
7
Wait 24 Hours
Does P_{wo} Rise?
Yes
No
8
Does DSO Say ↓ ?
Yes
9
Is $Q_{il} > Q_{xl}$?
Yes
10
Is $Q_{xl} > Q_{xn}$?
Yes
No
No
No
11
Is $P_{wxl} > P_{wxn}$?
Yes
No
13
Does DSO Say
Wait 24-42 Hours?
No
Yes
No
12
Will $P_{wxn_{t+1}}$ ↓ ?
No
Yes
14
Wait 24-48 Hours
Does P_{wo} ↓ ?
No
Yes
15
Is $Q_{xl} > Q_{xn}$?
Yes

Symbols

P - Price
w - Wholesale
x - Our Company
o - Other Major Competitors in Local Market
i - Initiator
t - Time, at Present
Q - Quantity, i.e., Sales Volume in Physical Terms
l - Local Market Wherein Price Change Is Being Considered.

n - Nearby Market with Funnel Influences
DSO - District Sales Office (District Sales Manager)
= - Is Equal to
≠ - Is Not Equal to
> - Is Greater than
↑ - Raise Price
↓ - Drop Price
DM - Decision Maker

The important features of this diagram are not the technical details, which the interested reader can pursue at will by reading the chart if he wishes. Of importance are the following two characteristics: first, the area manager has a surprisingly complex way, of which he was totally unaware, of making the decision; and, second, if the reader follows through the diagram, he cannot help but be impressed by how well this unconscious process captures reality. It captures reality in such a way as to enable the manager to behave in a reasonably rational way, given his goal of pursuing short-term profits within constraints set by higher management.

Such a study of the advertising decision process (though undoubtedly less structured and more difficult to model), would enable some judgment of the rationality of the process. We doubt, however, that it would indicate the wielding of subtle and extreme power vis-à-vis consumers. For our area manager, the "facts" he feeds into his decision process are not very dependable. In Box 9, for example, he asks himself whether the initiator's market share in the local market is larger than his. Data on share by local markets are revised only every three years, and revision requires a year. Thus, these share figures are always at least one year out of data, and maximally, three years. As a general rule, however, market shares do not change radically in this industry. As we have seen, the research "facts" used in advertising decisions are also far from dependable, but for different reasons. In addition, the high degree of specialization in the advertising industry militates against optimal decision. Since each person involved in the marketing program is working on only a small part of the whole, it is unlikely that the overall result will, in any sense, be optimal. Finally, we find the performance of experts in rating ads particularly damning to the managerial infallibility viewpoint.

Advertising Management: An Evaluation

We shall be concerned with evaluating the research used to measure the effects of advertising from two perspectives: managerial and public policy. Let us begin by examining it from the manager's point of view.

First, we question the prevalence of research information. We suspect that only a small proportion of the total national brand advertising invested in the economy is researched. In response to a Commissioner's question, Dr. Light said, "The only generalization that I can make is that it varies" (T449). One way to describe the proportion is to say that, typically, one ad in a campaign is tested. This is about 20 percent, since the other four ads in the campaign are similar. Looked at in this way, we might say that 50 to 60 percent of national brand advertising is being tested. Testing is, after all, costly and time-consuming. As Dr. Light pointed out (T448), for example, it cost $2,900 to test a single Gillette ad, excluding the cost of producing the commercial.

Second, we question the usefulness of much market research data. It does not tell us what kinds of advertising have what kinds of effects on behavior. Few of the techniques we have discussed dealt with consumer purchase as a measure of advertising effectiveness. Thus, the decision-maker can select neither ads nor media in terms of the appropriate criterion. Knowledge of the effects on purchase is really essential to practitioners. Management, by and large, invests funds in advertising only because it believes that the rate of return on these funds will be at least as high as funds invested elsewhere. Yet, such information is generally not available. Usually, the further the information is from the purchase, the more plentiful but less useful it is. Market share and ad recall are readily available. There is not much data, however, showing ad effects on the consumer's attitude, and even less showing effects on his purchasing behavior except in very limited numbers of controlled experimental situations.[26] Further, even to the extent that the effect of a given ad on purchases is known, little effort is devoted to developing generalizations which would enable one to generate an ad that would have given results. Finally, what happens is that the objective actually used in evaluating advertising becomes ad recall, and no usefully precise evidence is obtained once the selected ads are run.

Third, we question the accuracy of much of the market research data. Accuracy involves two dimensions: validity and reliability. Validity has to do with how closely the measure conforms to the thing the manager thinks with and so wants measured: how closely does the variable conform to the construct? By and large, this is not a problem. Unaided recall, as used in practice, is probably not a bad measure of the consumer's memory content. As we noted in the case of brand share, however, product class is sometimes incorrectly defined in light of the consumer's needs. It is defined as the advertiser sees it, not as the consumer sees it. Yet, it is the consumer's view that governs what happens in the marketplace.

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[26] The Adtel system (Chapter Two, p. 17), where an ad is run on one-half of a double cable TV system and the other half is used for control purposes, offers some potential for the future, however.

Reliability is a problem. A reliable measure is one that gives consistent results on repeated applications. Assessing the seriousness of the reliability problem is not easy because replication of studies is not a general practice by advertisers. Dr. Light concludes from examining the results of 633 tests of television commercials "using the more popular techniques," that there is "quite a large amount of unreliability...that about 50 percent of the time a test result is likely to be inconclusive in telling us whether a commercial is a good one or a poor one...." (T447). On the other hand, Achenbaum showed that attitude measures are substantially reliable (T650-1).

In summary, recall data is the only generally available information that is really useful and accurate for guiding the brand manager in selecting advertising content. But, as a guide and a criterion, recall is inappropriate to his needs. It is inappropriate because it does not relate to the objective by which he is evaluated; namely, brand share. In directing the message, data available on media are demographic. The evidence is that these demographic characteristics seldom relate to the consumers' brand choice processes and, therefore, are inappropriate guides to action.

In this circumstance, we might well ask: "Since the research information is of such limited usefulness, why are any funds devoted to it?" The answer is that such research probably serves an important sociological function.[27] Where uncertainty is so great, it may be that the presence of research creates an aura of certainty which, while somewhat mythical, enables the representatives of the various parties -- advertiser, agency, and medium -- to work together with reasonable levels of tension.

Perhaps our evaluation of the contribution of market research has been too harsh. No doubt it is better than no information at all. And, combined with managerial judgment, it probably produces somewhat better decisions that would otherwise be made. Industry itself realizes, however, that marketing research still has a long way to go. Maneloveg pointed out that

> We know about media circulation, we know about media audience, we know about message audience...but we have not gotten much beyond that. And we still do not know how to measure perception nor the direct relation to sales (Maneloveg T476).

Other industry spokesmen expressed similar views, including Overholser, who stated that "we are, perhaps to our disadvantage,...pretty short on generalizations" (Overholser T297-A).

Where does this leave us from a public-policy perspective? As we have seen, the Commissioners did not learn from the hearings what they had hoped to learn: what kinds of ads have what kinds of effects on purchasing behavior. They did learn, contrary to what they thought, that advertisers do not typically know how to reach a given, specialized, relevant audience with any degree of accuracy. We are convinced that had they known the answers, industry would have provided them. Since they could not, we conclude that the development of an understanding of the effects of advertising on consumer behavior cannot result from a wholesale borrowing of industry's knowledge. While much of the research they have assembled can be useful, the demands of public policy will require a more specific and a more comprehensive approach than any which currently exists. In Chapter Four, we will amplify these needs, and attempt the development of a suitable comprehensive framework.

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[27] A. J. Kover, "Marketing Research and Two Kinds of Legitimacy," The American Sociologist, Vol. 6 (1971) (supplementary issue), pp. 69-72.

Some Specific Issues in Advertising Research

Motivation Research

There are a number of issues meriting brief discussion in their own right. They often appear elsewhere in the report, but as an integral part of the discussion. An example is the topic of motivation research. Throughout the book we have been discussing consumer motives, and shall continue to do so. We have not, however, dealt explicitly with the subject of motivation research.

Marketing, along with many other newly-developed or evolving disciplines, experiences periods of intense interest in particular techniques or methods. In the 1950's, one such novelty was motivation research; and, the intense interest and attendant publicity played no small part in creating the folk myth of managerial infallibility in divining the consumer's psyche, as exemplified in such books as The Hidden Persuaders.[28] Unfortunately, the results of this over-reaction are still with us today. We say unfortunately because we feel that beliefs in the omniscience of marketing by nonmarketers (and, frequently among this group, consumerists) have been one factor inhibiting a useful and productive dialogue between consumer and producer. Yet, as the hearings indicated, the advertising industry is far from omniscient. While they possess a considerable amount of knowledge, the sum total certainly does not equate with ominiscience, let alone omnipotence. Today, motivation research has taken its place along with the many other techniques which marketers employ in the attempt to avoid making wrong decisions. Yet, as was so frequently pointed out, wrong decisions are still made (Kendall T130).

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[28] Vance Packard, The Hidden Persuaders, (New York: David McKay and Company, 1957).

Having dealt with the myth, let us explore the reality. Motivation research is a term used to describe a variety of approaches utilized to try to determine the true motives of the consumer. The underlying rationale is that when you ask a person the reason why he does something, he will--for various reasons--be unwilling or unable to articulate the true reasons or motives. Dr. Dichter gave the example of asking Ford, Chevrolet, and Cadillac buyers why they bought their cars. They all claimed to have bought for economy reasons -- plausible, perhaps, for Ford and Chevrolet, but questionable for Cadillacs! (T1804). Thus, the bag of tools of the motivation researcher includes various forms of indirect questioning, projective tests, undirected individual or group interviews, and psycho-dramas (or role-playing).

Dr. Ernest Dichter, the pioneer of motivation research, gave a detailed account of his knowledge and experience as applied to the problem of communication in advertising (T1800-T1820). In his opinion, the effectiveness of advertising communication could be enhanced by participation, ego involvement, concern with nonverbal aspects of communication, condensation, creative convincing, use of a triggering mechanism, mood, irreducibility of copy claims, and mental rehearsal of the purchase (T1801-T1817). In each case, examples were used to illustrate the factor.

In the total range of marketing and advertising activity, motivation research is generally used at a fairly fundamental level. Some researchers might argue that a wide variety of motives are accessible by direct questioning techniques; however, few would disagree with the notion that in certain product categories, respondent defensiveness or sensitivity precludes direct questioning. Here, the indirect techniques of motivation research are particularly salient. Of necessity, however, these techniques are somewhat labor-intensive. Thus, small samples are generally used, with the results tending to be qualitative rather than quantitative. The primary purpose of these indirect techniques is to generate insight into motives for purchase (or non-purchase). The results can be used directly to provide insight for creative personnel, and often form the basis for subsequent research using more structured techniques and more data-intensive methodology.

We have discussed an historical view of motivation research, briefly described the views of its leading practitioner, and attempted to place its uses and limitations in perspective. It is our judgment that the issues raised by motivation research are not relevant to our purpose here. Motivation research possesses no special proclivity for unconsciously or unfairly influencing the consumer; it is merely another tool of research, no less fallible, and possibly more fallible than other methods. Much of the apprehension over the use of motivation research may be attributed to misconceptions about its efficacy and pervasiveness.

Repetition

The subject of repetition was one which generated a good deal of interest (Dennison T500, T913; Morrison T1211; Dixon T1223). However, the distinctions between repetition, frequency, and gross expenditures on advertising a brand were not always carefully drawn. For our purposes, we shall define repetition as exposure or noting of the same insertion of an advertising message by the same audience of an advertising vehicle.[29] Frequency refers to the mean number of exposures over the net unduplicated audience for the duration of a campaign.[30] The distinction between the concepts should be clarified by reference to Table 8. Consider an advertising campaign consisting of one advertisement and two insertions. If the audience exposed to the first insertion is 100 persons, shown as A_1, this is also the net unduplicated audience. Each was exposed to the advertisement once. The second time the ad is inserted, however, the number of people exposed is 110, shown as A_2. Of A_2, 80 were also members of A_1 (i.e., were exposed to the first

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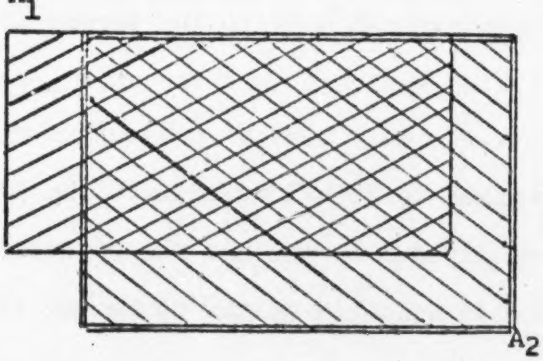
[29] D. B. Lucas and S. H. Britt, Measuring Advertising Effectiveness (New York: McGraw-Hill, 1963), p. 214.

[30] *Ibid.*, p. 203.

Table 8

Repetition and Frequency



Key

A_1 ▨ = 100

A_2 ▨ = 110

$A_1 \cap A_2$ ▦ = 80

$$A_1 \cup A_2 = A_1 + A_2 - (A_1 \cap A_2) = 130$$

insertion), and 30 were being exposed to the ad for the first time, since they were not exposed to the first insertion.

The net unduplicated audience is equal to the total of the 20 persons in A_1 who were exposed to the first insertion only, the 80 persons who were exposed to both insertions (written as $A_1 \cap A_2$), and the 30 persons in A_2 who were exposed only to the second insertion. Therefore, the net unduplicated audience (written as $A_1 \cup A_2$) is 130 persons. By our definition, the only persons subject to repetition were the 80 persons who were exposed to both insertions. The frequency, however, is a weighted mean divided by the net unduplicated audience. Each member of the audience is weighted by the number of times he was exposed. Thus,

$$\begin{aligned} \text{Frequency} &= \frac{(30 + 20)\ 1 + (80)\ 2}{130} \\ &= \frac{210}{130} \\ &\approx 1.61 \end{aligned}$$

Therefore, because no two audiences of a given vehicle are identical, the frequency will be less than the number of insertions.

For our purposes, repetition and frequency are close surrogates, although our simplified example used only a single advertisement and two insertions. Gross expenditures on advertising, however, are quite different. They are the total amount spent on advertising a brand in a defined period of time and, as such, are clearly a surrogate for the volume of advertising for a particular brand. Let us proceed, however, to examine the theory and practice of repetition in advertising.

In his discussion of repetition in advertising, Prof. Morrison referred to work by Zajonc (T1211), suggesting that mere exposure of the individual to a stimulus enhances his attitude toward it.[31] Zajonc presents a variety of interesting evidence to support his hypothesis. But, although the work is suggestive of further interesting research, we believe it is not as relevant to the advertising problem as some more recent work, which we shall discuss next. In addition, as Maddi[32] and Jakobovits[33] point out, although Zajonc's article represents a challenging viewpoint, it fails to deal adequately with a variety of conflicting findings; thus, at best, this article would represent only partial explanation.

Although it was not featured in the hearings, we are fortunate that the American Association of Advertising Agencies Educational Foundation has sponsored a large study on the effects of repetition.[34] It is certainly the most appropriate research for our purposes. This work was summarized in a recent article,[35] from which the following generalizations are drawn.

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[31] Robert B. Zajonc, "Attitudinal Effects of Mere Exposure," Journal of Personality and Social Psychology Monograph Supplement, Vol. 9, No. 2, Part 2, June 1968, pp. 1-27.

[32] Salvatore R. Maddi, "Meaning, Novelty, and Effect: Comments on Zajonc's Paper," Journal of Personality and Social Psychology Monograph Supplement, Vol. 9, No. 2, Part 2, June 1968, pp. 28-29.

[33] Leon A. Jakobovits, "Effects of Mere Exposure: A Comment," Journal of Personality and Social Psychology Monograph Supplement, Vol. 9, No. 2, June 1968, pp. 30-32.

[34] The following reports on this work were published prior to the hearings: M. L. Ray and A. G. Sawyer, "Repetition in Media Models: A Laboratory Technique," Journal of Marketing Research, Vol. 11, No. 1 (February, 1971), pp. 14-20.

________, ________ and E. C. Strong, "Frequency Effects Revisited," Journal of Advertising Research, Vol. 11, No. 1 (February 1971), pp. 14-20.

Based on laboratory and field studies, it has been found that the effect of repetition varied depending upon:

(i) The criterion measure employed.

Recall, brand mention, beliefs, attitudes, purchase intention, and coupon redemptions were all used as measures of effect.

> The level, shape, and slope of the repetition...varied so that the measures...lower on the response hierarchy (e.g., recall, mention) were affected more than "higher" measures (such as attitude, intention and coupon action). Depending on the measure, the shape of the repetition function was linear, negative exponential or S-shaped. In some cases the functions were flat or even negative.[36]

(ii) Segments.

Brand and product usage were important determinants of the effect of repetition in one study, depending upon whether consumers were users of the test brand, the competitive brand, both brands, or neither.[37]

(iii) Product type.

Repetition of ads for nine convenience goods showed a "sharp linear curve"[38] for recall, a gentler curve for intention. In contrast, the recall repetition function for nine shopping goods "flattened after four exposures,"[39] while the intention function was almost flat.

Advertisements for well-known brands produced "higher and sharper curves"[40] than did advertisements for less well-known brands.

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[35] M. L. Ray and A.G. Sawyer, "Behavioral Measurement for Marketing Models: Estimating the Effects of Advertising Repetition for Media Planning," Management Science, Vol. 18, No. 4, Part II (December 1971), pp. P-73 - P-89.

[36] *Ibid.*, p. P-75.

[37] *Ibid.*

[38] *Ibid.*

[39] *Ibid.*

[40] *Ibid.*

Further differences in repetition functions were found by ad format, type of illustration, use of color, scheduling, one-sided vs. comparative appeals, and consideration of competitive advertising.[41]

What are the implications of this work for our purposes? While it is clearly wrong to suppose that nothing is known about the effects of repetition, these findings suggest, as Maneloveg implied (T500-501), that the effects of repetition are highly situation-specific. Sweeping generalizations, such as those suggested by the Zajonc thesis, are both inappropriate and dangerous if applied to advertising. The desirability of large total expenditures on advertising a particular brand may be debated on legal, moral, aesthetic, or economic grounds. However, wherever inferences are made or allegations tendered about the effects of repetition per se, recourse to empirical research seems the only admissible means of determining the merits of the proposition.

Summary

At the outset of this chapter, we stated that the purpose of Chapter Three was to examine management's objectives, and their supporting data in making advertising decisions. As we found, the objectives of market share, profit, and growth are not operational in making advertising decisions in our current state of knowledge. As a consequence, these objectives often become depreciated to ad recall. This depreciation is encouraged by the specialization in the industry. Thus, the creators of advertising in the agencies come to be evaluated by these criteria, and so make their decisions in terms of them instead of in terms of market share, profit, and growth.

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[41] *Ibid.*, pp. P-76 - P-77.

Growing awareness of this fractionation of the total advertising decision process, and the handicaps it places on rational decision, has probably been one of the causes of the shift we have observed in the past few years of market research from the agency to the advertiser. Fewer and fewer of the agencies appear to be maintaining sizable research departments. This trend was quite marked in the middle and late 1960's. True, as Overholser pointed out in the hearings (T293), the advertiser probably contracts out to market research firms about 70 to 80 percent of the market research. Much of this, however, is field work -- data collection -- with the design still resting in the hands of the brand manager and, more specifically, with his market research analyst.

This chapter, we hope, will dispel the common notion that modern marketing tools enable the advertising industry to pinpoint the psychological vulnerabilities of the consumer and, thus, render him more or less helpless. Some of the comments in the hearings smacked of this view. For example, Dr. Condry stated, "I suppose they (advertisers) have got some model to be able to get into the child's subconscious" (1326). In view of his deep concern about the young child-parent relationship, it is not surprising that Dr. Condry might believe this, when he could quote the following statement, from Broadcasting, by the vice president of a well-known agency: "We can shape our future marketing programs on what appeals directly to the child, not to the parent, because if the parent initiates the interest, then the appeal to the child is lessened, and the job of selling is made more difficult." (T1312). In a related vein, Dr. Bandura commented: "...I assume large amounts of money are invested in advertising on the basis of some evidence that it is an influence. It would be hard (for) me to believe that discriminating businessmen are investing large amounts of money as an ineffective influence." (T1287-8).

Vance Packard's influential book The Hidden Persuaders.[42] appearing in 1957, is an extreme example of this point of view, as in his introductory paragraphs:

> This book is an attempt to explore a strange and rather exotic new area of American life. It is about the large-scale efforts being made, often with impressive success, to channel our unthinking habits, our purchasing decisions, and our thought processes by the use of insights gleaned from psychiatry and the social sciences. Typically, these efforts take place beneath our level of awareness; so that the appeals which move us are often, in a sense, "hidden." The result is that many of us are being influenced and manipulated, far more than we realize, in the patterns of our everyday lives.
>
> Some of the manipulating being attempted is simply amusing. Some of it is disquieting, particularly when viewed as a portent of what may be ahead on a more intensive and effective scale for us all. Cooperative scientists have come along providentially to furnish some awesome tools.
>
> The efforts of the persuaders to probe our everyday habits for hidden meanings are often interesting purely for the flashes of revelation they offer us of ourselves. We are frequently revealed, in their findings, as comical actors in a genial if twitchy Thurberian world. The findings of the depth probers provide startling explanations for many of our daily habits and perversities. It seems that our subconscious can be pretty wild and unruly.
>
> What the probers are looking for, of course, are the why's of our behavior, so they can more effectively manipulate our habits and choices in their favor.

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[42] Vance Packard, op. cit.

The sources of these misbeliefs are not clear. Perhaps they are fed by the traditional latent fear of propaganda. This fear of propaganda, which surfaced prior to World War II, led to a spate of literature and the founding of the Institute for Propaganda Analysis to examine the dangers.[43] Certainly, we conclude that these misbeliefs would scarcely have arisen from systematic and valid observation of industry practice. Had such a body of knowledge been available, the hearings would have been unnecessary.

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[43] Brown, Words and Things (New York: Free Press, 1958), p. 301.

CHAPTER FOUR

MODELS OF COMMUNICATION IN ADVERTISING

Judgments about advertising inevitably reflect some beliefs about the consumer. These beliefs can be acquired simplistically from others, or from education, experience, reading, etc. Rarely, however, does the depth of understanding of the consumer play more than a minor role in popular judgments about advertising. But, for those who have thought much about their judgments, their beliefs about the consumer can be very detailed and complex. In many cases, however, these beliefs are implicit, and the fact that they are not consciously articulated greatly impedes useful discussion of subtle issues--a situation which characterized the advertising hearings.

A major purpose of this chapter is to examine these beliefs. They are, of course, models of advertising communication. They vary in sophistication and explicitness, but all represent views on how advertising works. In describing these models, we shall limit ourselves (for the most part) to the hearings testimony. While models of advertising communication are legion, the hearings gave a reasonably representative perspective. We shall also compare and contrast these models, attempting to isolate their differences and shortcomings from the perspective of public policy. With this background, we shall develop a more comprehensive and explicit model which is generally consistent with current scientific knowledge. This more comprehensive model can substantially illuminate some of the issues which might otherwise remain implicit. It will also serve as one, general, integrating theme for subsequent discussion throughout the book. In addition, as we pointed out in Chapter Three, the lack of a widely shared vocabulary and frame of reference has greatly impeded discussions of advertising and its effects. The model we present should mitigate this problem.

Models of Advertising: A Comparative Analysis

The people who participated in the hearings think a great deal about consumers. Consequently, we would expect them to have rather well-developed models. The advertising industry, however, tends to specialization of labor, as described in Chapter Two. Practitioners are busy people -- largely action-oriented -- who do not have the time to articulate their abstractions, their models of reality. As a result of the division of labor and the action-orientation, the industry development of large comprehensive models is practically non-existent. Since industry representatives generally deal with only part of the consumer, they generally develop "partial" models. However, the hearing data did contain some more inclusive models (e.g. Dillon T316-321), and these we shall deal with first. As we discuss the models, we shall attempt to relate them to the variables and constructs to which we have referred in previous chapters, and which will, subsequently, be used in the comprehensive model we shall present in the latter part of this chapter.

Mr. Thomas Dillon, President of Batten, Barton, Durstine & Osborne, Inc., traced his view of the anatomy of a consumer purchase decision in some detail. This probably represents the most comprehensive of the models presented by industry spokesmen (Dillon T316-321). The first stage of the process is that the consumer knows that the product class in question exists (T316). Second, the consumer must be able to "call to mind by some process what range of alternatives there are" (T316). This range of choice alternatives is, of course. the evoked set we discussed in Chapter Two (p. 27). Next, the consumer must have some method of identifying choice alternatives, via the brand name or some other identifying characteristic. This is the denotative component of the brand concept, which we label brand comprehension. We shall elaborate on this construct later in the chapter. According to Dillon, the consumer must also have a concept of what differing satisfactions these alternatives offer, and an evaluation of each alternative in these terms (T317). These perceived satisfactions are the connotative (or attitudinal) dimensions of the brand concept, and are central to much of the remainder of the report. Finally, the consumer must be able to use these evaluations to reach a preference and choose one alternative (T317).

Dillon went on to elaborate this simple decision process, using the example of choice of a restaurant (T317-321, W12-19). While the model he described is far from complete, it contained a number of the constructs which are key to understanding consumer brand choice.

Mr. Light, Vice President of BBD&O, presented a verbal model which was linked more closely to advertising (Light T435-436). The model he described was of the hierarchy-of-effects type, discussed in

Chapter Three and Appendix Two, which suggests that consumers move through a sequence of stages (Light W3); but, as he pointed out, "researchers do differ as to the number and the nature of the stages in the model (Light W3). In Mr. Light's model, the advertising stimulus (one of many "impinging on the consumer" [Light W3]), should first lead to brand awareness; in other words, get the brand name "into the consumer's mind" (Light, T435). It must then communicate some benefit associated with that brand name, which must, in turn, then lead to attitude change. As we had previously noted (Chapter Three), this change is hard to measure (Light T435). If the attitude changes, the consumer may try the product. "If, and only if, the product lives up to the advertisement, delivers the benefit that the consumer perceived . . . in the first place, then and only then will that consumer be satisfied and repurchase. I will tell you, and I can assure you, that this satisfaction, the key, the major attitude change towards brands occurs after trial of the product, not previous to trial due to the advertising" (Light T436). Thus, Mr. Light has introduced an additional construct into our emerging system -- the idea of post-purchase satisfaction, the importance of which was suggested by Achenbaum (W79).

Other industry spokesmen also presented more or less explicit models of the consumer. In many cases, however, these models were partial or incomplete, reflecting the spokesman's specialization. A specialist in developing the musical portion of the message focused mainly on getting attention. He agreed that music ought to serve other functions, such as to support memory, but its primary purpose to him was to secure that necessary, but not sufficient, condition of attention (Edel T538). A retailer gave advertising the complex role of selling the product. This included simultaneously conveying information about the store, such as opening hours; whether telephoning a mail order is possible; if delivery, installation, and service are available as part of the price paid; what the credit terms are; and whether parking facilities are available (Perlmutter T172). An agency president stressed the fact that the limitations of mass communication strongly shaped the role of advertising in the consumer decision process (O'Toole T939). An agency market research director also briefly described his view of the consumer decision process (Overholser (T284), while the president of a market research firm saw the consumer decision process as one of becoming aware, developing a tentative preference from knowledge of product advantages, and finally buying (Hardin T506). An expert in preparing television commercials, reflecting his more narrow specialization, believed that "standup" commercials and product demonstrations were the most effective in influencing the consumer (Case T1101-1102).

Differences between industry models and those of other spokesman also reflect the proponent's special interests. Bauer and Greyser developed this thesis at some length,[1] arguing that dialogue has been impeded because

> Defenders and critics of our marketing practices (use) a common vocabulary (masking) quite contrasting models of the marketing process (Bauer T921).

Greyser described the pro-business model as a service model "that portrays as successful marketers only those who serve consumers best and that predicts failure for those who do not so serve" (Greyser T64-65). The critics' model is the manipulative model that "portrays marketing's role as basically that of persuading, euchring and seducing less-than-willing customers to buy. Consumers are seen as pawns struggling in an unequal battle against their adversaries the marketers, who use advertising as an important and powerful one-sided weapon" (Greyser T65). The third model Greyser described as transactional -- a model derived from communications research that views the marketplace relationship "in more of a give-and-take fashion; consumers trade time and attention to advertising for the information and entertainment in the ads; consumers trade money for products that provide them with functional and/or psychological satisfactions. The transactional model posits a somewhat sophisticated consumer, at least in terms of his or her own buying criteria" (Greyser T65). This last model is obviously closer to the view that we have been developing in this chapter, though none of the models was spelled out as explicitly as might have been describable. In addition, by seeking to highlight the differences between "business" and "critics," Bauer and Greyser, unfortunately, found themselves in the crossfire, with spokesmen for industry and consumers suggesting their view was "simplistic" (Warne T942; Matthews T955).

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[1] Raymond A. Bauer and Stephen A. Greyser, "The Dialogue That Never Happens," Harvard Business Review (January-February, 1969), pp. 122-128.

Perhaps the most comprehensive model presented in the hearings was that of Professor James Engel (T858-915). Using a slide presentation he described his comprehensive model,[2] focusing on constructs of memory, evaluative criteria and attitudes, and the relationship to intention and behavior (Engel T861-864). From this point, he elaborated on the role of information in search processes and problem-solving (T865-867). Because so many elements in this model are similar to the comprehensive model we shall present, we shall not develop the description further at this point. However, we should point out that comprehensive models of the type developed by Engel and his co-workers are among the most important, if not the most important, of developments in consumer behavior research over the last decade.

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[2] For more detail, see James F. Engel, David T. Kollat and Roger D. Blackwell, Consumer Behavior (New York: Holt, Rinehart and Winston, 1968).

A Model for Public Policy: Specification of Needs

During the hearings, it was evident that the Commissioners sought a more comprehensive model than that used by industry, if only because their criteria of goodness and badness were much more complex. The questions they asked frequently demanded answers that existing industry research could not supply (T211, T217-18, T306, T914, T622). Thus, their needs require a much more explicit description of the consumer than industry, in general, has developed for its own use.

If we turn to the state of industry research, the results are not encouraging. The need is evident (Light T434), but as has been so often pointed out,[3] the theory has been lacking (Overholser T297-A). As was so well articulated by Engel

> ...there is a need for us to specify the variables which affect consumer behavior, not only to specify them, but to specify the linkages between them (Engel T859-860).

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[3] Homer M. Dalbey, Irwin Gross and Yoram Wind, Advertising Measurement and Decision Making (Boston: Allyn & Bacon Inc., 1968), p. 3.

We submit, however, that the needs of the Commission are different from those of industry, not only in terms of the need for a comprehensive model, but also in the Commission's need for new evaluative criteria. Let us develop these needs in more detail.

First, a model for public policy should avoid the specialization inherent in some of the industry models. It should be general and comprehensive, dealing with the whole process of decision-making. In addition, the model must be fairly detailed. The questions posed by some of the Commissioners, and the current posture of public policy, demand a level of specificity beyond that of the industry models. The model should also be disaggregative, dealing with the choice process of the individual. While aggregative models may often be sufficient for industry purposes, public policy needs require an individual model. Aggregative information can always be obtained from an individual model, but the reverse is not true. Wherever possible, the model should be consistent with theory and empirical evidence, both in the behavioral sciences and in marketing and advertising research. Most desirable, of course, would be a comprehensive model that was itself empirically tested.

One major benefit of this type model would be to alleviate the communications problems described by Bauer and Greyser.[4] We certainly hope that the model we shall present in this report will serve this purpose. However, such a model can provide more than a common vocabulary for this report and elsewhere; it can also serve as an integrating device to coordinate the thinking of industry, consumer spokesmen, and government. Thus, it can provide a means for integrating research from diverse disciplines and origins, including the research done on parts of the communications process. In addition, the model should serve as a powerful stimulus to research useful for government, industry, and consumers. Finally, the model should provide a framework suggestive of public policy alternatives and relevant in its evaluation. Let us turn now to our comprehensive model.

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[4] Bauer and Greyser, op. cit.

A Comprehensive Model

The model we shall describe has evolved from "the first truly integrative model of buyer motivation and behavior,"[5] as proposed by John Howard in 1963.[6] This was the earliest of the comprehensive models[7] which, in recent years, have featured heavily in consumer behavior research.[8] In collaboration with Jagdish Sheth,[9] it was subsequently refined; but the version we present here is a further stage in development and refinement of the model. In this form, we believe it can satisfy the public policy needs we elaborated in the last section. It is also one of the few comprehensive individual models to have been subjected to a full-scale empirical test.[10]

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[5] David T. Kollat, Roger D. Blackwell and James F. Engel, eds., Research in Consumer Behavior (New York: Holt, Rinehart and Winston, 1970), p. 4.

[6] John A. Howard, Marketing Management Analysis and Planning, rev. ed. (Homewood, Ill.: Richard D. Irwin, 1963), Ch. 3-4.

[7] Philip Kotler, Marketing Management: Analysis Planning and Control (Englewood Cliffs, N.J.: Prentice-Hall, 1972), p. 123.

[8] Other models include Engel's, reported in Engel, Consumer Behavior, op. cit., and Francesco Nicosia, Consumer Decision Processes (Englewood Cliffs, N.J.: Prentice-Hall Inc., 1966).

[9] John A. Howard and Jagdish N. Sheth, The Theory of Buyer Behavior (New York: John Wiley and Sons, 1969).

In beginning the exposition, it might be useful to state a common, simplified view of the consumer, with respect to advertising. In this view, advertising operates by associating, in the consumer's mind, his various needs with the advertiser's brand name. One of the first limitations of this simple view is it assumes the consumer takes into his nervous system all the advertising to which he is exposed. We shall discuss this assumption first.

Advertising is a form of imput into the human nervous system. Any symbols which are capable of serving as input can be called "Information." In this way, such value-laden terms as "persuasive" and "informative" are avoided. In this view, information is awareness of some event in the environment. It is value-neutral. It is symbolic. We can speak of "quantity" of information, but this implies no judgment as to how the consumer is affected. Communication occurs when the consumer's sensory receptors come into contact with the event; thus, he receives knowledge of the event. The minimum information communicated is that the event is unimportant and can be ignored. Alternatively, the knowledge communicated may be that there is some "thing" out there -- an event -- which may be important, but is not at all understood. This suggests that more information is needed before a judgment can be made.

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[10] See John U. Farley and L. Winston Ring, "An Empirical Test of the Howard-Sheth Model of Buyer Behavior," Journal of Marketing Research (November, 1970), pp. 427-38, and Donald R. Lehmann, John U. Farley and John A. Howard, "Testing of Buyer Behavior Models," Proceedings of the 2nd Annual Conference, Association for Consumer Research, 1971.

One reason humans have survived millions of years, and have achieved dominance over other mammals, is due to the many subtle ways we have developed for dealing with information. Think of your own information-processing capacity. The room in which you are sitting contains millions of symbols. Look in any direction, and focus your attention on the wall or an object of furniture. You will find that its texture, shape, and content provide you with immense information that you would otherwise have missed. When you entered the room and missed this, you were being selective. You must be selective in order to survive. The real question is: "How does a consumer selectively take in awareness of these events, and how does he use this awareness?"

In this question, we can usefully distinguish between information acquisition, the first part; and, information utilization, the second part -- that is, how he uses the information once he has taken it in. Although this order will strike the reader as "putting the cart before the horse," we shall first consider information utilization. After all, the consumer must first acquire information in order to use it. The reasons are twofold. First, for practical situations, such as talking to a salesman, acquisition can perhaps be ignored. If we assume that the salesman has the consumer's attention, the consumer will take in nearly everything the salesman tells him. In contrast, advertising may easily be closed out. Second, how information is utilized shapes its acquisition so strongly that the acquisition process is rather meaningless, unless we first understand how information is used. The two processes combined make up the complex model.

Information Utilization

"Why does the consumer buy?" is the question we want to answer. This is a very complex question and can be answered on a number of levels. When Willie Sutton, the nationally-known bank robber of several decades ago, was asked why he robbed the bank, he replied, "That's where the money is." He was being asked the question at one level -- for example, "Why did you rob the bank instead of earning an honest living?" He responded at a more practical level, however, by answering the question as if it had been "Why did you rob a bank instead of a grocery store?" To avoid subtle misunderstandings as to which level is at issue, we shall lay out three general levels -- choice situations -- to each of which the "why" question can be asked. We shall then proceed to examine each situation in order to provide an answer to "why."

First, there is the typical repeat-purchase situation, in which the consumer has bought the brand before. Second, it is a new brand, but the consumer has bought other brands in this product class before.[11] Just as advertising practitioners, members of the Commission, etc., form a concept of consumers to think with, the consumer forms a concept of the new brand to think with. In the third case, the person has no understanding of even the class of brands from which he is contemplating choice. He has no product class concept. Radically new products illustrate this situation.

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[11] For discussion of the product class notion, see Chapter Two, pp. 26-27.

The process of abstraction by which consumers form concepts is best illustrated with a concrete example from consumer behavior. Dillon's description of paper towels illustrates how a seemingly meaningless product to males appears to "a mother of three subteen children who have a dog" (T324). As the family develops, the housewife has a growing need for paper towels and begins to conceptualize a brand according to its criterial attributes; that is, those attributes of the brand which matter to her. It may have many other attributes, but these will not matter to her. Mr. Dillon explained that these criterial attributes are the strength of the towel, its degree of absorbency, its decorative aspect, and its cost. Thus, she has formed a brand concept. As she learns about, and possibly experiences, another brand, she forms a product class concept of paper towels. When she is later confronted with an entirely new brand of paper towels, she uses the product class concept to attain -- to develop or discover -- a new brand concept. We emphasize the criteriality of attributes because the brand and purchase situations have many attributes, only some of which are criterial.

Repeat Purchase

Assume that the consumer has a fully-formed concept of the product class, and of each of the brands confronting him. For example, if a woman is choosing among coffees, and Folgers is her preferred brand, we assume she has a clear brand concept or image (Dillon T316) of Folgers (and the other brands in her evoked set). Thus, she can identify Folgers and place a value on it with regard to how it meets her needs. Because choice is essentially a routinized process, in this case, little information is required.[12]

One role of information in this case -- such as noting an almost empty coffee jar -- would be to trigger either a need to buy or an anticipation of this need. Thus, in this situation, advertising could serve the same function as visual inspection of the pantry. When the housewife recognizes this need, it will increase the intensity of the motives involved in buying and using coffee, and probably somewhat decrease the intensity of motives involved in the other products she might buy.

When a need is triggered in a repeat purchase situation, however, it does not mean that a given brand will automatically be purchased. In each specific choice situation, there are typically a number of situational conditions -- such as those at point of purchase, which influence choice. These conditions are summarized into one idea, labeled impersonal attitudes. For example, the consumer might not care about the price per se; however, the higher it is, the less he will have to spend on other things. Thus, his attitude toward the higher price will be less favorable. In non-repeat purchase situations, however, a consumer may accept a higher price as indicative of a higher quality because he is not well-informed about the brand. Also, whether or not the consumer expects the brand to be out-of-stock will shape his intention to buy it.

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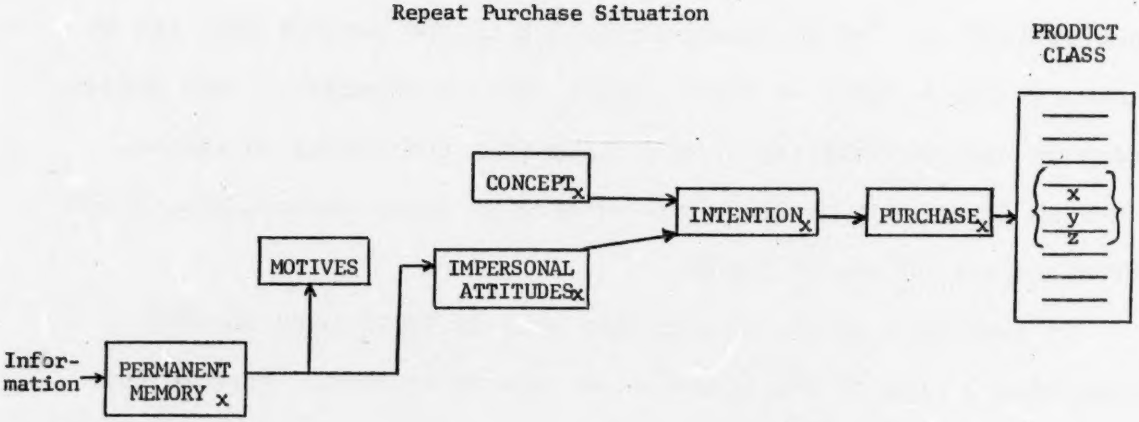
[12] For another discussion of the coffee example, see Engel (T869, T880).

A consumer may choose a smaller car because he is concerned about pollution. Yet the local servicing of the smaller car, let us assume, is not as good as for a larger car. Consequently, his anticipation of the availability of servicing is a constraint on choice. He has an impersonal attitude toward each of these constraints, which influences his choice of brands.

To guide the reader through the maze of ideas used in this comprehensive view of the consumer, a flow chart form, where arrows imply directions of causation, is shown in Figure 1. Because advertising is a very subtle and little-understood phenomenon, we need to elaborate the distinction between construct and variable before explaining Figure 1. Each box in the flow chart represents a theoretical idea: a construct. But a construct is of limited use unless it has a real-world empirical counterpart that can be measured. Figure 1 has intention (to buy), for example. To get the empirical counterpart of this construct, you can ask the consumer, "How likely are you to buy this brand in the next thirty days?" He might be presented a scale of five levels: definitely will, probably will, not sure, probably will not, and definitely will not. We can give the "definitely will" a score of five; the second, a four; and so on. Thus, answers can be assigned a number between one and five. This empirical counterpart of a construct is a variable. When we use "construct," we mean the theoretical idea. When we use "variable," we mean the empirical or real-world counterpart of that construct. This subtle distinction can contribute to understanding the complex problem of how consumers respond to advertising.

Figure 1

Repeat Purchase Situation


PRODUCT CLASS
CONCEPT
x
INTENTION
x
PURCHASE
x
x
y
z
MOTIVES
IMPERSONAL ATTITUDES
x
Information
PERMANENT MEMORY
x

At the left in Figure 1 is permanent memory, which receives the triggering information: the housewife noticed her supply of paper towels was almost used up. Recognition of this need interrupts the consumer's ongoing pattern of activity by triggering a shift in his motive hierarchy. The shift is away from the motives energizing the current pattern, and to those motives served by the purchase and use of towels. The shift occurs because the new set of motives has become more intense, and replaces the previous set at the top of the hierarchy of total motives possessed by the consumer. Although they are interrelated, the consumer's motivation process must be kept separate from a learning or cognitive process. In the hearings, confusion sometimes arose because of this lack of distinction. Let us turn to the cognitive processes represented in the concept of the brand and related constructs.

From previous exposures to information, and using the brand, the consumer has formed a concept of each of several brands in the product class. This concept tells him how good the brand is, in relation to each of the other brands -- information he now applies, along with his impersonal attitudes toward expected point-of-purchase conditions, to make up his mind which brand he intends to buy. Thus, the shift in motive hierarchy triggers choice from a product class, such as subcompact cars (as might be shown at the right of Figure 1) but not the choice of any one particular brand, such as Vega. It triggers the desire for a subcompact car, not for a particular brand of subcompact car. Thus, motives are not shown as affecting the consumer's intention to buy. The formation of this product class concept will be explained later.

Finally, our consumer intends or plans to buy a brand: he has an intention to buy. This construct was used earlier to distinguish between the theory and the real world, the construct, and the variable.

Purchase completes Figure 1. He will buy one of a number of brands in that class, all of which roughly satisfy the same needs. Our consumer's problem is to find approximately the optimum choice of this set. The amount of effort he is prepared to devote in searching for information, and the availability of information, will be important determinants of the extent to which optimality is achieved. Here, advertising can play an important role. However, when alternatives are numerous, the consumer simplifies his choice process by concentrating upon a few that he believes come closest to the optimum. This number is his evoked set, the ones he considers whenever these particular needs are triggered. Some evidence suggests that, on the average, the number of brands in the evoked set is from two to four.[13]

New Brand

A more interesting case occurs when the consumer does not have a concept of the brand being considered. He must, thus, form both denotative and connotative judgments about the brand if he is to accept it as a possible course of action. How does he go about conceptualizing an unfamiliar brand? A brand concept is made of three elements, set out in Figure 2. First, it has a denotative element, which is the consumer's descriptive opinions as contrasted with evaluative opinions. Any brand has many attributes, which may have nothing to do with whether or not the consumer likes it. The color of the box of Instant Breakfast is an attribute, but may be noncriterial to the consumer. However, he can use these attributes to identify the brand, to think about it, and to perhaps infer from them some of his evaluations of the brand. These denotative attributes are labeled "comprehension."

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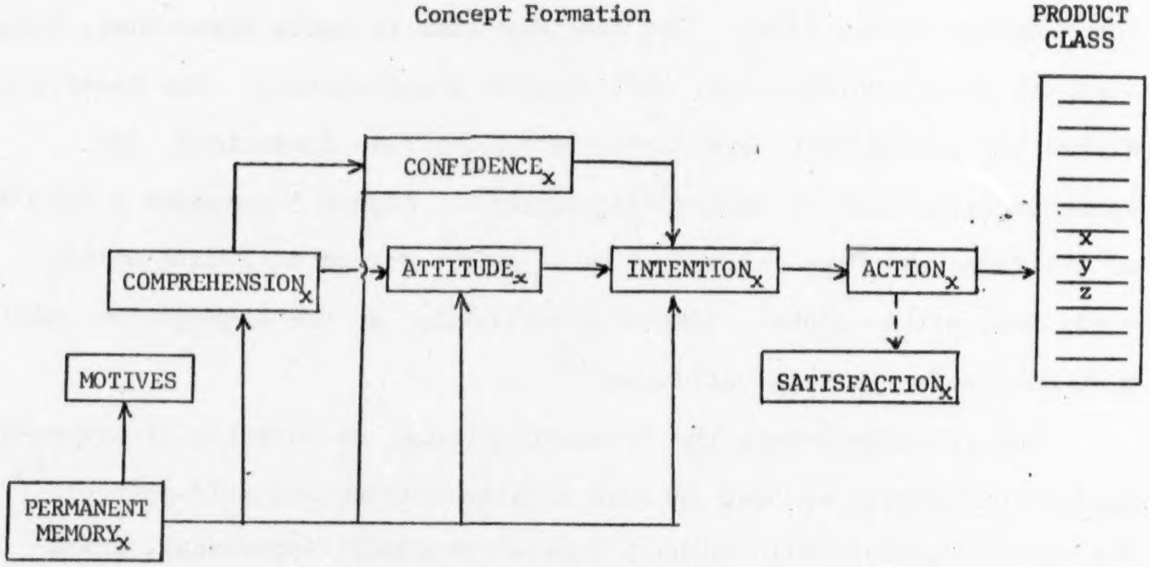
[13] Brian M. Campbell, "The Existence and Determinants of Evoked Set in Brand Choice Behavior," unpublished doctoral dissertation, Columbia University, 1969.

Figure 2

Concept Formation


PRODUCT CLASS
CONFIDENCE$_x$
COMPREHENSION$_x$
ATTITUDE$_x$
INTENTION$_x$
ACTION$_x$
x
y
z
SATISFACTION$_x$
MOTIVES
PERMANENT MEMORY$_x$

Second, the consumer has personal attitudes toward the brand, which form a connotative or evaluative judgment of the brand. The impersonal attitudes discussed earlier were toward the conditions of purchase, not the brand per se. Personal attitudes can be viewed as a unidimensional, like-dislike idea, and Achenbaum presented evidence that these personal attitudes were related to purchase (Achenbaum T638-9). But, these personal attitudes are made up of a number of underlying attributes, which can be converted to empirical variables (scales) such as absorbency, strength, and decorativeness (as with paper towels). These better explain the "why" of a consumer's preference than does the summary, unidimensional notion. This, however, is only one stage in the elaboration of attitude. It was referred to several times during the hearings (T326, T884). The hearings made it quite clear that, from a public policy perspective, this view is found wanting. The Commissioners wished to discriminate more finely among attitude dimensions, and corresponding types of advertising appeals. Figure 3 presents a taxonomy of attitudes which we believe is much better-suited to public policy needs than either global, like-dislike models, or the aggregative models discussed under personal attitude.[14]

The typology arrays the internal-external orientation of attitudes against categories we have labeled problem-solving and self-concept.[15] The resulting four cells we have labeled personal, impersonal, intrapersonal, and interpersonal. Let us clarify their meaning by example.

Figure 3

A Taxonomy of Attitude

	Internal Orientation	External Orientation
Problem-Solving	Personal Attitude	Impersonal Attitude
Self-Concept	Intrapersonal Attitude	Interpersonal Attitude

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[14] The authors wish to acknowledge the invaluable contribution of Morris B. Holbrook in structuring the taxonomy.

[15] These cells roughly correspond to the rational-irrational or rational-emotional distinctions so favored by social commentators. They also parallel Bauer's problem-solving/psychosocial dichotomization (see Chapter Five, p. 23.)

If a consumer likes a brand of coffee because it tastes better than other brands, he is using a personal attitude. On the other hand, if he likes it because he feels it impresses his friends with his good judgment, he is using an interpersonal attitude. However, if the consumer's ideal self incorporates the concept of good homemaker and he feels that the brand contributes to this end, he is using an intrapersonal attitude. Finally, if an influence on his choice is the fact that the local store stocks the brand, he is using impersonal attitudes. Another way to view these distinctions is that personal attitude deals with the relationship of product to goals: impersonal, with the relationship of conditions to goals; intrapersonal, with the relationship of self to ideal self; and, interpersonal, with the relationship of self to others.

The self-concept aspect of advertising is probably one of its most criticized features. It was referred to repeatedly in the hearings, perhaps because so many persons feel that advertising should not play on motives they consider undesirable in humans. For this reason, intrapersonal and interpersonal attitudes, the self-concept components, will be of central importance later in this report.

These types of attitude correspond to some basic concepts in communications research, involving how the source of the message affects the receiver.[16] Although these concepts were developed for the case of a person as source, they are useful in discussing the testimonials and endorsements often used in advertising, a subject we shall deal with in Chapter Five. Thus, change in personal attitudes is said to be through internalization of ideas, and the competence and the trustiworthiness of the source will be powerful determinants of whether or not the information has an effect on the receiver. Change in interpersonal attitudes is said to be a process of identification with the person that is the source, and this change occurs because the source is liked by the receiver. Another way it is put is that the receiver's self-concept is anchored in the relation with the liked-person. Finally, changes in impersonal attitudes are referred to as the process of compliance. The extent to which this change occurs is determined by the power of the source of the information: the power to withhold a reward, or the power to apply a punishment. It is usually another person, not a friend the receiver likes, as in the case of interpersonal attitudes, but someone he fears, who is in position to withhold rewards or to administer punishment. We cannot extend this view, however, to include other purchase conditions, such as point-of-purchase displays or distribution.

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[16] Herbert C. Kelman, "Processes of Opinion Change," Public Opinion Quarterly, Vol. 25 (1961), pp. 57-78.

These various attributes of the brand, and its purchasing situation represented in attitudes, become dimensions for evaluating a brand and are called "choice criteria." They are linked to the consumer's motives. They arise chiefly from motives which are more fundamental, more permanent, and less specialized to a specific product class, than from attitudes.

The nature of this linkage was discussed in the hearings by Morrison, in citing McGuire's "loose link" model (T1217). The belief is that attitudes can be changed slightly with relative ease; but, with much change, the "chain" linking attitude to motives becomes "taut," and further change then becomes difficult. This linkage has practical significance. One of the issues often raised by critics of advertising, and which was touched upon in the hearings, is whether "advertising causes people to buy things they shouldn't or that they don't need." The answer to this question lies in the choice criteria and motives, and their relation to each other. More will be said in later chapters about this. Further, the relation of choice criteria to motives is the second aspect of motivation. The first was the triggering of the need for a product class.

The third element of a concept is that the consumer has a certain degree of confidence in his ability to make this judgment. This feature can be referred to as the strength or firmness of a concept.

Together, these three elements of a concept determine the consumer's intention to buy a particular brand in a product class, in response to the "push" of motivation. Information has now begun to enter more prominently into the process of consumer behavior described in Figure 1. Information shapes not only comprehension, personal and self-concept attitudes, and confidence, but impersonal attitudes, as well, with respect to each alternative being considered.

Finally, more important than information in influencing the consumer is experience in buying and consuming a brand which provides him with a reward, a subjective sense of satisfaction (Light T436). Insofar as it does, it will add to comprehension, personal attitudes, and confidence. These relations are omitted in the diagram in order to simplify.

Radically New Product

We have been assuming that our consumer has a concept of a product class. In reality, a consumer is often confronted with a radically new product for which he has no class to "fit it into." Or, he may have a class concept to put it in, but one that may be too broad to be useful in making a judgment. For example, he learns about Hialeah race track, as Mr. Vladimir pointed out (T1896-7). He must conceptualize some new dimensions in deciding whether he wishes to devote his time and money to this activity. He must form such a class concept in order to think about the new brand and to judge it, because the class concept contains the choice criteria by which brands in the product class are evaluated, and becomes the basis of his choice.

Information plays a still more complicated role in this third choice situation. Information shapes the content of the choice criteria of the class concept (which were taken as given in Figure 2) by which the consumer identifies this new thing. He is forming the concept about a brand which is applicable to the many individual items of that brand, but which the manufacturer strives very hard to standardize by means of his quality control. It, too, is a class concept, but one subordinate to the product class. Simultaneously, the consumer is forming the basis for the superordinate class -- the product class -- which can take place quickly, once he encounters a second brand in that product class.

Because of the increasingly central role of information in forming a product class concept, the explanation of what information is acquired -- and why -- becomes correspondingly urgent if we are to explain the effects of advertising.

Information Acquisition

The normal, adult consumer has astounding capacity to tune out unimportant information, and tune in important information, from his informational environment available (as shown in Figure 4). The systematic content of that environment is symbols: linguistic (words), pictorial (pictures), and musical. There are also many non-systematic symbols, called "noise," and advertising makes use of these, as well. These symbols may or may not convey meaning to the consumer. They may or may not tell him anything about what the brand means to him. The sources of these symbols are varied. Friends and neighbors are important, as well as current news, the public library, and so forth.

The advertiser has become a more important source as the retailer has been transformed into a self-service supermarket, as new products have burgeoned since World War II, and as the technology of mass communication has created new avenues of reaching the consumer (TV, better radio reception, etc.). An exception here is the case of private brands owned by the retailing company -- the supermarket chain -- but even some of these are advertised. This total flow of information to the consumer provides an informational environment, shown as the most left-hand construct in Figure 4.

How does the consumer handle this mass of information that he is confronted with? The consumer "pays attention" to some things, and ignores others. From his experience, Dillon cited that novelty, babies, and people -- not things -- catch attention. As the consumer faces a stream of ongoing information, he applies rules or habits which generate expectations about whether or not a certain source will be useful for the moment. These expectations, and their implication of degree of importance, guide the process of tuning out and tuning in.

The consumer is not only a remarkably astute "tuner-outer" from a given informational environment. To an important degree, he also controls his informational environment. He changes the informational environment to which he is exposed by seeking information. If he deems the choice important enough to justify the effort, he can seek information by talking with others and reading in the library. First, let us assume that his task is to exploit the informational content of a given environment. Later, we can examine the problem of changing informational environment.

Fixed Informational Environment

To separate the discussion, according to its non-motivational and motivational mechanisms, will facilitate the exposition of consumer choice within a fixed informational environment.

Motivational Mechanisms Excluded

The heart of the selective process is the consumer's memory. In fact, the consumer has three memories: sensory, short-term, and permanent. Sensory memory receives all information that is "out there"; that is, all information to which he is exposed. The information is received in physical form -- light waves in the case of the visual mode, and sound waves for the auditory mode. These two modes are the most important among the consumer's five senses. The olfactory mode is also used at times, as in the case of perfumed newspapers.

Sensory memory is large at any point in time, but it is very short. If the information in it is not transferred to short-term memory, it is dissipated and lost within a matter of milliseconds. Sensory memory is omitted from Figure 4 because, in content, it is an exact replica of the informational environment, and storage is very short.

In short-term memory, retention is somewhat longer before the information is lost than the milliseconds that characterize sensory memory. And, it is much less a replica of reality. Substantial filtering occurs. Some evidence suggests that the information can be satisfactorily stored for eighteen seconds.[17] During this interim, it can be transferred to permanent memory, as in Figure 4. If it is not transferred in the interim, it is lost. This is the fate of most information with which the consumer is confronted. Thus, for longer periods it, too, is an ineffective instrument of storage.

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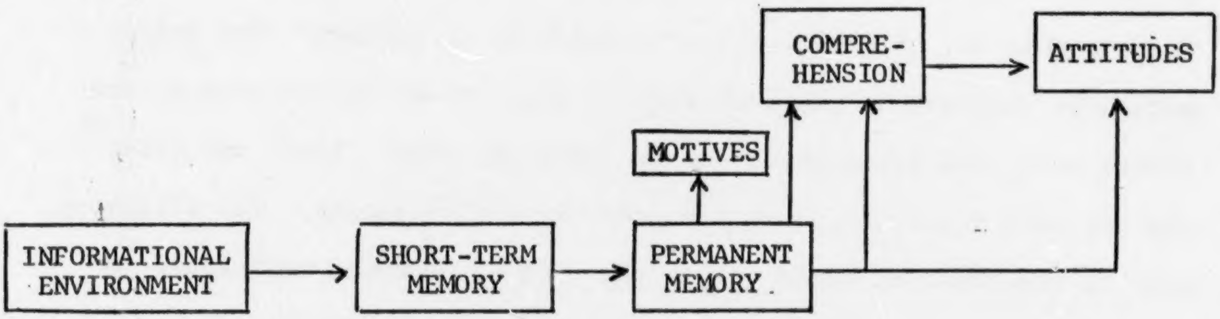
[17] D. A. Norman, Memory and Attention (New York: John Wiley and Sons, 1969), p. 88.

Figure 4

Information, Memories, and Cognitive Structure



Finally, permanent memory is generally the source of the effects of external events, such as an ad. The two memories are shown in Figure 4 as linking the consumer's cognitive structure -- his comprehension, attitudes, and confidence -- to a given informational environment. An interesting and important exchange occurred in the hearings between Commissioner Jones and Mr. Dillon (T350) on whether information which reaches permanent memory, and so can affect behavior, can necessarily be consciously recalled.

In summary, this selective process -- often called "selective attention" -- enables the consumer to handle a continuous flow of information, only because he has a permanent memory containing both rules of grammar, and relevant substantive information. Hence, we see the powerful role played by material already in the consumer's memory in enabling him to acquire new information.

What the consumer actually takes in, is compared with the respective representation or expectation. If they match, fine. He then goes on to scan the next segment to which he is exposed. If they do not match, if it is a novel set of symbols, the consumer generates a new expectation and compares it. The closer the first match is, the more quickly the two will converge on repeat trials. Hence, the efficiency of processing is closely related to the accuracy of the first guess. Because of this advance hypothesis -- this expectation -- about what the message will be, the consumer can tune his perceptual processes to admit certain pieces of information from the flow, and reject other pieces. Thus, he pays attention to some pieces and not others, and we see why unfamiliar information can be difficult to process.

This background of how memory -- knowledge of language rules and substantive information -- leads to expectations of perception, is essential in explaining the flow depicted in Figure 4. Let us be precise and state rules which -- in a fixed, informational environment, and in the absence of motivational considerations -- govern and determine which information gets into permanent memory, and which does not.

If the consumer is familiar with the speech habits of the announcer, or the sentence composition habits of the copywriter, he can more quickly and correctly transfer the information from sensory memory to short-term memory. Presumably, the more sophisticated is his use of grammar, the more quickly and correctly he will take it in.

This, however, is debated by the experts. If the consumer is unfamiliar with the grammatical form in which the material appears, and with the subject-matter, he will classify the material as "difficult," and he will be delayed in processing it. This description suggests that culturally-deprived segments of society may find conventional advertising less useful than non-culturally deprived.

In short-term memory, material is stored in meaningful units instead of representations of the physical message itself. Numerous studies indicate that the capacity of short-term memory is small. By rehearsing its content, however, the consumer can lengthen the time in which meaning is retained in short-term memory.[18] How many times, in using a telephone number that you never again expect to use, have you noticed yourself rehearsing (saying it over to yourself) the number as you dialed it; and, then, as soon as the telephone on the other end of the wire buzzes, forgetting it.

What are the rules by which information is -- or is not -- transferred from short-term to permanent memory, where it can affect behavior? If the material is unfamiliar, which means the consumer does not have an internal or cognitive structure for it, simple mnemonic devices can help the transfer of information by providing an external structure for the material. These we have all used in our everyday activity. Rhymes are one such device: "Thirty days hath September, etc." Another device is the method of loci. In this method, the person imagines the different pieces of information as being located at different points in space; for example, in different rooms of a house. Musical jingles are still another device. With complex material, however, the person finds mnemonic devices ineffective because complete memorization of complex messages is not often possible.

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[18] *Ibid.*, p. 86.

Let us turn to the case where internal structure exists. If the information is familiar -- the consumer already has an internal structure to place it in -- and the particular product class is important (involving), the consumer will probably remember it.

With complex material, however, consumers are more inclined to remember structure and not so much details. This suggests that ads with limited factual content are conveying more meaning than we might think. However, this is a matter for future research to confirm or disconfirm. It is also probably more accurate to say that consumers reconstruct the material, rather than remember it. From memory research, we know that what is recalled is shorter than the original, the phraseology is more modern, and the entire message is more coherent and consequential.[19] These errors increase with the passage of time except that the length of the recalled material does not necessarily change.

Whether or not the consumer has a cognitive structure has been emphasized. Structure is composed of associations of the stored material with both the concept of the brand, and the concept of the product class.

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[19] Ibid., p. 137.

Finally, feedback from permanent memory to short-term memory provides the effects of things, such as knowledge of speech habits, and sentence composition habits on short-term memory. In this way, short-term memory can function in selectively choosing from all that is available in sensory memory.

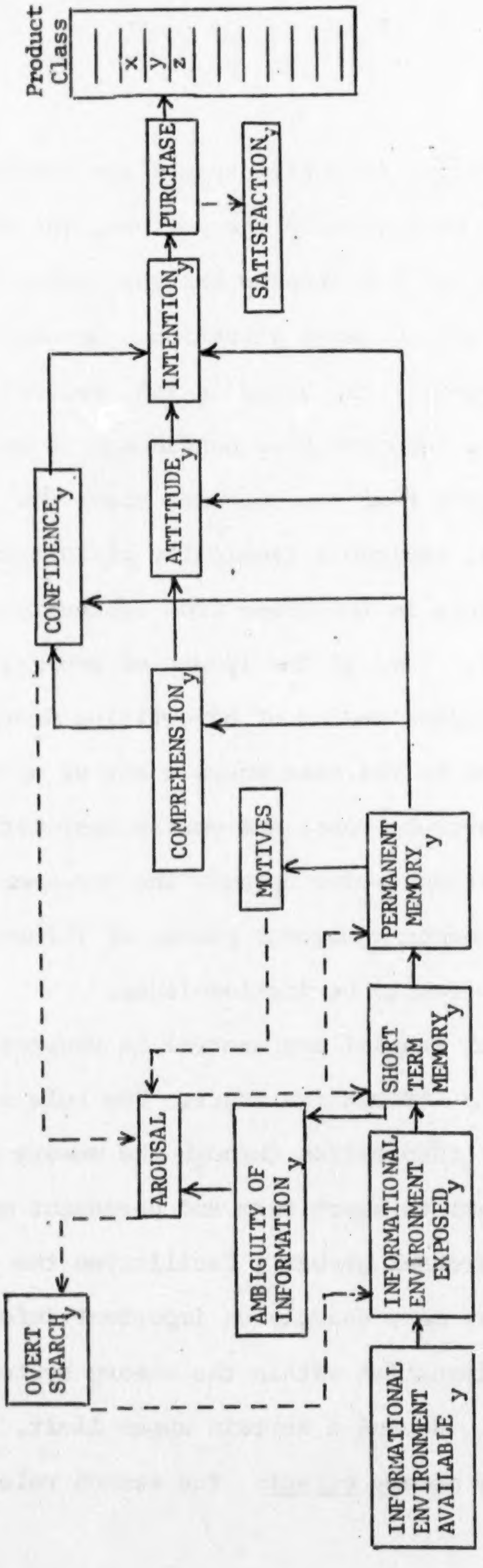
Motivational Mechanisms Included

When the consumer's motivational mechanisms are incorporated into the analysis of the consumer's information acquisition -- the third role of motivation -- a still more complex, and more meaningful, picture emerges. A set of five, directing mechanisms partially control the flow of information into the nervous system (as shown in Figure 5), which then builds upon Figures Two and Four to present a fairly-complete graphic of choice. The central idea of that set of mechanisms is arousal; that is, the degree of the consumer's "awakedness," from complete relaxation to a catatonic state. Three things cause arousal, and, in turn, arousal has two consequences.

First, motives have not only content, but also an intensity dimension. This we indicated earlier, in discussing how the choice process is triggered. To the extent that the intensity of applicable motives is high, arousal is high. By applicable, we mean motives that are satisfied by the product class whose purchase is being considered. Motive intensity is a strong influence on forgetting. The more intense the motives, the less the forgetting. Forgetting is an important feature of consumer behavior, with respect to advertising. Dr. Krugman discussed it, at some length, in the hearings (T208).

Figure 5

Complete Model


INFORMATIONAL ENVIRONMENT AVAILABLE y
INFORMATIONAL ENVIRONMENT EXPOSED y
SHORT TERM MEMORY y
PERMANENT MEMORY y
MOTIVES
AMBIGUITY OF INFORMATION y
AROUSAL
OVERT SEARCH y
COMPREHENSION y
CONFIDENCE y
ATTITUDE y
INTENTION y
PURCHASE
SATISFACTION y
Product Class
x
y
z

In a related way, motive intensity shapes the complex of the consumer's brand concept. The more intense the motives, the more elaborate is the consumer's concept, and greater are the number of criterial attributes of the brand and purchase situation. Second, to the extent that confidence in judgment of the brand is low, arousal is high: an inverse relation. This is a feedback from confidence to arousal (Figure 5). Finally, to the extent that the consumer views the information as unreliable, unclear, ambiguous (ambiguity of information in Figure 5), arousal is high. This is the arrow from ambiguity of information to arousal in Figure 5. Some of the issues of ambiguity of information are central to an understanding of advertising deception. (Advertising deception is defined as the case where a set of symbols is susceptible to two or more interpretations, and one interpretation is false.) The latter two relations arise because the consumer experiences conflict either in choosing among ambiguous pieces of information, or among brands which cannot easily be distinguished.

The effects of arousal are central to understanding how the consumer governs his information input. One role of arousal is to control the flow of information through the memory system, as shown in Figure 5 by arrows to short-term and permanent memory. Within limits, increased arousal probably facilitates the flow of information. It focuses attention more sharply on important information, probably sharpens the discrimination within the memory system, and probably speeds up the flow. Beyond a certain upper limit, however, increasing arousal can inhibit memory effect. The second role of arousal, to be discussed later, is to motivate the search for information, as indicated in Figure 5 by the arrow to overt search. In this way, the consumer modifies his informational environment, which is to change the construct informational environment exposed, seen in Figure 5.

These five relations constitute a set of equilibrating mechanisms; that is, a set of mechanisms that strongly aid in providing the consumer with the right information when he needs it. These mechanisms provide the consumer with the capacity to tune in the information he needs when he is exposed to it; to tune it out, when he does not need it, and, overtly, to seek new exposure if his current informational environment is inadequate. Because of the mechanisms, the consumer can sort the relevant from the irrelevant in a largely unconscious way.

To simplify, two direct links are omitted from the description in Figure 5. In discussing the simplest case of choice -- repeat purchase -- the role of information in triggering choice was developed. This implies an arrow from arousal to action. There are also arrows from motives to attitudes, endowing the components of attitude with both their content, and their urgency or importance. A number of feedbacks are absent. First, there is a feedback from both the concept of the brand and the concept of the product class to permanent memory. These feedbacks endow permanent memory with structure. Second, satisfaction feeds back presumably to attitude, confidence, and comprehension.

One important, but complex, relation in Figure 5 is that between ambiguity of the information and the consumer's arousal. This relation controls the consumer's information input.[20] In the future, this process may be very important in evaluating advertising in public policy terms. It is often alleged that consumers are helpless against the varieties of advertising with which they are confronted in everyday life. Yet, from all that has been said so far, we might infer that the consumer almost never, if ever, takes in useless information. In fact, our inclination is to define as "useful" that information which he takes in. Still, much of the articulate, American public feels that a serious public issue is whether the consumer can protect himself from advertising. Also, there is the belief that the consumer may be surfeited, to a damaging degree, with information in modern, technological society, characterized by advertising (Brazelton T1262). Thus, knowledge of the nature of the conditions affecting information acquisition, and their ubiquity, is essential in deciding whether or not the consumer can protect himself. This is a task for basic research, and more will be said about it in Chapter Nine.

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[20] For more detail on this complex relationship, see Howard and Sheth, op. cit., pp. 156-167.

Changing Informational Environment

That, under some circumstances, consumers search -- go out of their way to collect information about a brand -- has long been obvious to practitioners.

Overt search occurs, physically, in two forms: receptor adjustment; e.g., pupil dilation and eye movement; and body movement. Krugman[21] has done substantial advertising research on receptor adjustment -- specifically, pupil dilation. Body movement incorporates a great variety of activities: talking with friends, shopping, reading news reports, wading through Consumer Reports, etc. In these ways, the consumer changes his informational environment. In the area of overt search, much of the systematic research has focused on word-of-mouth communication (Engel T871-875).

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[21] H. E. Krugman, "Some Applications of Pupil Measurement," Journal of Marketing Research, I (1964), 15-19.

Low confidence in the concept of the brand, and the importance of the product class, both cause the consumer (via arousal) to search, as shown in Figure 5. Let us elaborate more on the idea of why the consumer searches. Up to now, we have discussed only specific exploratory behavior: he searches to find out about particular brands. However, he also searches for new information when he is bored. This is called diversive, exploratory behavior. Finally, the consumer often searches for information he might need in the future. You have all observed people aimlessly wandering through large stores "just looking." In the process, however, these people learn a great deal that will be useful in meeting their future needs. This is called epistemic, exploratory behavior.

The consequences of search effort are shown, diagrammatically, in Figure 5, by information environment available. This is modified by overt search to become informational environment exposed. The first is all the information to which the consumer might expose himself if he devoted extensive effort to the task. The second is the information to which he actually does expose himself; that is, the information with which his sense organs come into contact.

Different Kinds of Consumers

The model we have elaborated is a comprehensive model of individual consumer behavior. In the discussion up to this point, we have assumed that all consumers are roughly alike; i.e., utilize the same basic decision processes. We know, nonetheless, that consumers differ from one another in many ways. The entire thrust of the segmentation efforts we discussed in Chapter Three has been toward identifying such differences. We know, for example, that those attributes which are important or criterial for one consumer may not be so for another. This is one factor causing consumers to buy different brands. Demographic differences are also important. Children, the poor and disadvantaged, and ethnic minorities are consumer groupings which were given special consideration during the hearings. We shall discuss these in detail in Chapter Six.

Conclusion

We believe the model provides a vocabulary -- a set of constructs, and labels for those constructs -- which will enable us to discuss more sharply and coherently the nature of the advertising problem, as viewed by the consumer. It can, also, help remedy the lack of generalizations that now characterize advertising research (Overholser T297-A). Throughout the following chapters, we shall be referring to these constructs, and to the theory of which they are the component parts.

CHAPTER FIVE

TECHNIQUES OF ADVERTISING: AN EVALUATION

Chapter Three focused on the objectives of advertising, and its role in the company's marketing program. The legitimacy of advertising objectives, however, is not universally accepted. Indeed, even if there was a consensus about advertising's objectives, it does not follow that all would agree on the acceptability of the methods and techniques advertising uses to achieve its objectives. In fact, much of the controversy over advertising, and the public interest, is concerned with method and technique.

As we saw in Chapter Four, advertising achieves its effects on consumer behavior via two basic steps: getting attention, and transmitting information. Getting attention means interrupting the consumer's ongoing mental activity, and replacing it with new mental activity. (The nature of this interruption process was discussed in Chapter Four.) Turning to the transmission of information, we shall distinguish between two aspects of the advertising message: the symbols used to transmit the message; and, the meanings the advertiser intends to transmit to his audience. These last we shall call appeals. There are two sections to this chapter, corresponding to our distinction between symbols and appeals. We shall first deal with the technical aspects of advertisement production for print and electronic media. This description will be confined to the information presented in the hearings and should not, therefore, be regarded as comprehensive. Advertising production is a complex and rapidly changing field, and we can do no more than present the basic points covered in the testimony. The second part of this chapter deals with the types of appeals which are used by advertisers. Both techniques and appeals have been the subject of much public scrutiny. Consequently, they merit our attention.

Technical Aspects of Advertisement Production

The versatility of television's imagery is readily apparent from Table 1, which illustrates the communication properties of various advertising media. The designer of the advertisement may employ verbal, visual, and musical symbols to convey his message via audio and video channels. By comparison, the user of radio is limited to the audio channel, although he may use verbal and musical symbols. Both kinds of electronic media, however, are dynamic. Print media (newspapers or magazines) are static, and employ words and pictures to convey their message visually. Outdoors is also a visual medium. It may sometimes, however, use motion either as an attention-getter, or in conveying information.

As might be expected from the above discussion, the technical complexity of advertisement production is greatest for television. Consequently, the discussion which follows is more heavily-oriented towards television commercials.

Table 1

IMAGERY AND CHARACTERISTICS OF MEDIA

	IMAGERY				CHARACTERISTICS
	Video		Audio		
	Pictures	Words	Words	Music	
Television	X	X	X	X	Dynamic
Radio			X	X	Dynamic
Print	X	X			Static
Outdoor	X	X			Static or Dynamic

Television-Visual

Gordon Webber, vice president of Benton and Bowles, stated what he believed were three obligations of producers of advertising film:

> To communicate the advertising message clearly.
> To communicate it accurately and honestly.
> To communicate it with interest and impact.
>
> (Webber, W4)

If he is to fulfill these obligations, the producer must exercise discretion with the tools at his command. Thus, the autonomy of the producer is circumscribed, to a greater or lesser extent, by the lawyers of agency and client, media clearance procedures, television codes, etc., in the attempt to ensure that discretion is exercised. Nonetheless, the techniques which the producer employs possess the potential for deception; therefore, they should be carefully examined.

According to Webber, many of the techniques available to the producer are used to gain attention and impact (Webber T353-354). For example, different lenses can be used to these ends. A telephoto lens gives the appearance of bringing the subject much closer to the camera; but, at the expense of resolution, and of a foreshortening effect wherever there are other objects intervening between subject and camera. A zoom lens not only permits varying levels of magnification, but does so while preserving focus on the subject. A wide-angle lens, by apparently increasing the distance between subject and camera, creates the opposite effect to a telephoto, thus creating "wide" vistas, which situational constraints might not otherwise permit. Close-up lenses enable the producer to approach the subject as closely as he desires, but without the type of distortion which would occur with a normal lens. Finally, there are lenses which can be used to create special effects. One such lens is the fisheye. As its name implies, this lens can take pictures over a field of view extending up to 180° and beyond. The distortion which takes place is, of course, the intent of the producer in using such a lens.

Just as lenses facilitate a variety of effects, so also do lighting and make-up. Such aids are necessary in order to permit subjects to appear as they would to the human eye. These techniques can, also, permit the producer to stray from accurate representation.

The uses of lenses, make-up, and lighting are evidently as applicable to still photography (used in newspapers, magazines and direct mail), as they are to television commercials. However, the dynamic nature of television endows it with further possibilities. Editing is not only possible, but "essential to the clarity and understanding of a commercial." (Webber T356). Editing is frequently necessary to aid in compressing a commercial into the short period of available time. Similarly, such techniques as time-lapse photography, slow motion, or speeded-up action provide the producer of a television commercial with ways of heightening interest, creating emphasis, or producing aesthetic effects -- results not possible for print advertisements. As with so many of the techniques discussed, these have the potential to enable misrepresentations, and a number of procedural safeguards (to be discussed later) are used to avoid such problems. Animation is another technique finding considerable application to television advertising.

Special Techniques

Two or three special techniques are particularly important to the production of television commercials. One of these results from the fact that only one-third of the nation's television sets receive color. Consequently, the producer must be sure that color commercials reproduce well on monochrome. He uses grey scale shading to attain this end (Gould, in Webber W30). Similarly, whenever color of props and surroundings are not subject to producer control, the difference in perception between the human eye and the television camera often necessitates the use of color correction.

Finally, highly reflective surfaces cause blooms or flares on film or videotape. These can ruin the picture and the equipment. Such surfaces are generally sprayed to dull the finish, and avoid the problem (Webber W32).

Music in Advertising

According to Herman Edel, the prime purpose of music in advertising is "to get the viewer's ear." (Webber T358). In this view, music is important as an attention-getter. It can, also, be used to create a mood, to highlight action, or to emphasize a product benefit or selling phrase. The intent is for the viewer to feel the music as part of the total advertisement, yet to be unaware of the music *per se*.

The musical part of the commercial, of course, is developed with a particular target audience in mind.

In the hearings, the treatment of music gave little understanding of how it might contribute to the effectiveness of an advertisement. Perhaps this was because of the very "practical" orientation which characterized a great deal of the industry testimony. However, there has been some behavioral research which focused on these issues.

Weeks and Marx,[1] in summarizing this work, suggest that the major advantage of using music in advertising resides in its powers of association. Although advertisers frequently use well-known themes, they also create their own (some of which attain commercial popularity in their own right). Rigg's research found that "tailor-made" musical phrases were more effective in arousing specific moods and emotions, than were phrases from Mozart and Beethoven. He concluded that aesthetic excellence was unrelated to the capacity of expressing emotion through music.[2]

Weeks and Marx conclude that music's effectiveness lies in its potential to assist associative learning. They concur with Edel in stressing the importance of effectively integrating the music with copy and visuals in a strong, basic, commercial concept. They, also, suggest the importance of marrying the music to target characteristics.[3] These conclusions were partially substantiated by a later survey of advertising agencies, and agency music specialists. This survey found that these specialists believed that arousing emotion and mood creation were the most important contributions of music to television commercials.[4] The second most important factor was emphasis on copy or visuals.

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[1] Richard R. Weeks and William J. Marx, "Music's 'Power' for Television Advertising," The Southern Journal of Business, Vol. 3, No. 4, (October, 1968), pp. 35-39

[2] Melvin G. Rigg, "The Autonomy of Music," Music Journal Anthology (1964), pp. 84-100.

[3] Weeks and Marx, p. 38.

The evidence on the role of music is limited and mixed. It would seem, however, that music can play a role in getting attention, creating arousal, and assisting learning. We suspect that its role as a transmitter of information is much more limited than that of verbal copy. However, with careful integration, its importance can be enhanced -- as with the old Salem cigarette TV commercials, for example.

Print Advertising - Visual

Apart from the use of various lenses, make-up, and lighting which are applicable to motion and still photography, there are two techniques which are used only in still photography. The first of these is retouching. Bob Fearon, president and creative director of Friedlich, Fearon and Strolimeier, gave several examples of its use (Fearon T369). When working in a studio, but even more so when working outside, the photographer does not have perfect control over what is contained in his camera's field of view. Thus, retouching can be used to eliminate unwanted parts of the photograph, to increase simplicity of presentation, or to produce a more aesthetic effect. Unwanted visual distraction clearly can impede the advertisement's ability to communicate to prospects. An alternative might be to reshoot the photographs, attempting to ensure the absence of unwanted elements; but, the associated direct and opportunity costs clearly make this alternative undesirable.

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[4] Richard R. Weeks and William J. Marx, "Music in Television Advertising: A Look at the Business," Business and Society, 1969, pp. 35-46.

Putting together two or more photographs to make one composite photograph is another useful technique, used often for purely technological reasons. Where there is great range in camera subjects, the depth of field of the lens, at a given aperture, may be insufficient to permit all the elements of the picture to be in focus. The component elements might, therefore, be photographed separately, each in focus, then combined to form a composite. In another application, it might be infeasible for the photographer to bring together the desired subject material to permit a single photograph. An example, given by Mr. Fearon, was that of a group of animals. Each animal was photographed separately; then, with the aid of retouching, each photograph was merged to create a composite (Fearon T373).

Copy

Our discussion, thus far, has been concerned primarily with the use of pictographic and musical symbols in advertisement creation. Important as these elements may be to the final advertisement, however, the bulk of the information transmission function is performed by the copy. Words are, after all, a set of symbols invented specifically for the purpose of communication. Whether transmitted via the video or audio channel, the meanings associated with these symbols are generally much more specific than meanings achieved with pictures or music. For this reason, we shall deal with verbal symbols (or "copy"), in terms of those rather specific meanings (appeals). The second, and major, part of this chapter is devoted exclusively to copy.

Application to Product Demonstrations

The most crucial and sensitive application of production techniques is to product demonstrations. From a public policy perspective, we shall be most concerned with the content and ubiquity of safeguards against deceptive production techniques.

Due to the adverse publicity which attended such cases as the shaving-foam sandpaper exposé,[5] we suspect that product demonstrations for TV commercials are more carefully monitored and executed, at present, than they were in the past. In the hearings, Schwartz submitted two examples of production demonstration technique reports, which must be cleared by legal staff before shooting takes place (Schwartz W18-19). These, specifically, inquired into the use of mock-ups, props, lighting, photographic techniques, and other similar devices. One of these reports is reproduced in Table 2.

One of the best ways to understand the procedures used in product demonstrations is by example. Ms. Peggy Kohl gave a detailed description of the procedures used today by one major manufacturer for food product demonstrations on TV commercials (Kohl T361-367).

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[5] Time, April 16, 1965, p. 86.

Table 2

Sample Production Demonstration Technique Report

1. WILL MOCK-UPS BE USED?

2. WILL ANY SPECIAL PROPS, RIGS, DEVICES, OR SPECIAL EFFECTS OF ANY KIND BE USED?

3. WILL ANY SPECIAL LIGHTING, CAMERA ANGLE, OR LENSES BE USED?

4. WILL ANY SCENES BE OVER- OR UNDER-CRANKED, OR SHOT WITH STROBE, OR ULTRA HIGH-SPEED CAMERAS?

5. WILL YOU MATTE, ROTOSCOPE, OR USE ANY SPECIAL OPTICAL TECHNIQUES?

6. WILL PRODUCT AND/OR PACKAGE BE COLOR CORRECTED?

7. WILL PRODUCT BE SCORED OR PREPARED FOR USE IN ANY WAY OTHER THAN IT WOULD NORMALLY BE DONE BY CONSUMER?

8. WILL PRODUCT BE PHOTOGRAPHED IN USE IN ANY WAY DIFFERENT FROM THAT NORMALLY USED BY CONSUMER?

9. WILL A DEMONSTRATION TEST OR COMPARISON WITH ANOTHER PRODUCT BE USED?

10. WILL YOU USE SIMULATED OR CREATED SOUND EFFECTS, INSTEAD OF THE ACTUAL PRODUCT SOUND?

Signature **Agency Ext.**

First, food products used in these demonstrations are always edible. According to Ms. Kohl, for technical reasons, this has not always been possible. In the past, the heat of old-fashioned studio lights, the lack of studios with proper equipment (refrigerators, freezers, and stoves), inferior color film, and less-sophisticated cameras meant that a variety of techniques and ingredients were used to ensure that food products looked realistic in finished print ads and commercials. Even today, "every now and then there is a great tasting recipe which is downright ugly in an honest photograph" (Kohl, W15). General Foods avoids this problem by not photographing such foods. Their policy of food photography, reproduced in Table 3, states that "Mock-ups may not be used."

The intent of the policy is to ensure that "consumers should be provided with correct visual impression(s) of the quality, attributes, and amount of product they will receive," (Kohl W15). While this policy tends to eliminate less-photogenic foods, it does provide clear-cut rules for home economists and agency personnel to follow.

The General Foods policy illustrates clearly the feasibility of developing unambiguous guidelines to safeguard against deceptive production techniques in product demonstrations. Doubtless, other companies have developed similarly sound procedures. We are concerned, however, because there appears to be no data available from which to adjudge the ubiquity of such standards. Government, consumers, and the industry have clear interests in ensuring adherence to high standards for product demonstrations. These interests remain unmet by

Table 3

General Foods' Policy for Food Photography

1. "Food will be photographed in an unadulterated state -- product must be typical of that normally packed with no pre-selection for quality or substitution of individual components."

2. "Individual portions must conform to amount per serving used in describing yield."

3. "Package amounts shown must conform to package yield."

4. "Product must be prepared according to package directions."

5. "Recipe must follow directions and be shown in same condition it would appear when suitable for serving."

6. "Mock-ups may not be used."

7. "Props should be typical of those readily available to the consumers."

8. "Theatrical devices (camera angles, small-sized bowls and spoons) may not be used to convey attributes other than those normally seen in use."

references to outstanding examples. The goal of informed choice can be met only when there is assurance that all advertisers and agencies employ adequate safeguards on production techniques.

Advertisement Production: An Evaluation

It is self-evident that the various aspects of advertisement production we have discussed are neither inherently good nor inherently bad. Nonetheless, if abused, they possess considerable potential for misrepresentation. During the hearings, industry spokesmen described a number of procedures which some companies and agencies use to avoid such problems. We shall discuss the advantages and limitations of these procedures shortly. First, however, we shall examine the problem of establishing normative criteria.

The first problem which arises in developing criteria is technical. A photograph on film, still or motion, is a representation of reality. As such, it is imperfect. It is true that individual consumers vary in their color perception and perceptual acuity. However, anyone who has had the experience of taking color pictures, receiving them from processing, and noticing that the picture differs considerably from his memory of the event and its colors, realizes that a "normal" color picture does not necessarily accurately depict the subject. Thus, a normative criterion, requiring the subject of the advertisement to appear to the viewer exactly as it would do to his naked eye, implies the use of special production techniques at certain times. An alternative criterion would result in commercials or ads which might appear not-at-all representative to the viewer, or in no pictorial advertising of those products.

If we accept the statement that the advertisement should present the product as it would appear to the naked eye, the question remains: Whose naked eye? Here, it is useful to examine some of the procedures described by the industry. The policy described earlier seemed exemplary to us, both in the intent and in the specifics which were described. However, it is difficult to ascertain the ubiquity of such policies, despite other examples given during the hearings. Furthermore, no code or policy can be more effective than the mechanisms provided to ensure conformance. On this issue, little systematic evidence was presented. Internal sanctions appear limited to refusal to approve an advertisement, or proposal for an advertisement. Continued transgression would, no doubt, create problems for the perpetrator; however, in the short run, no penalties are attached. Externally, the FTC could clearly sanction if they were aware of deception, and associated marketplace penalties would be likely. However, this exemplifies a punitive rather than a preventive philosophy. We find the latter preferable. It is more consistent with the objective of informed choice, should prove more systematic in application, and avoids the vagaries and administrative complexities of judicial or quasi-judicial proceedings.

We are convinced that counsel can assiduously discuss the merits of certain techniques, and disapprove some ads or proposed ads. However, it is mainly the producer who retains control over the realism with which the product is depicted in the advertisement. The ensuing testing and evaluation is overwhelmingly oriented towards establishing the effectiveness of the advertisement as a communications device. We suggest that the industry make every effort to assemble some hard data on the ubiquity, consistency, and rigor of internal controls over production techniques. Such data could show that our apprehension is unjustified. It could also provide the stimulus to ensure that the industry gets its own house in order before receiving outside help!

Appeals in Advertising

Although production techniques provide the means of implementation, it is the work of the copywriters and creative people which supplies the content of advertising; that is, the appeals which are used. Let us examine these appeals, dealing first with the issue of implied claims. We shall then discuss the use of endorsements and testimonials, and develop a typology of appeals based on the model of Chapter Four.

Implied and Actual Claims

This section might well be entitled, "When is a Claim Not a Claim? Or, "When is a Non-Claim a Claim?" We do not intend to be facetious, however, for one of the trickiest tasks facing anyone attempting to evaluate advertising is to establish whether or not an advertisement is actually making a particular claim.

Any advertisement can presumably be evaluated on the basis of the literal truth of the copy. A lawyer, for example, might look at an advertisement as he would a contract. A wealth of legal precedent would guide him in deciding exactly what the advertisement was claiming, but his major concern would be with the literal meaning of the symbols.

A behavioral scientist evaluating the same advertisement would take a different approach. To him, an advertisement is a communications device; and, by design, it should bring about some effect on the receiver. His criterion for deciding on the nature of the claim would be more closely related to the receiver of the communication than to literal or legal factors. His criterion would be behavioral. Furthermore, he would seek empirical evidence upon which to make his judgment of the ad. Rather than attempting to divine the effects of a particular advertisement (in terms of perceived claims) from his intuition, he would seek to measure the effects on a representative sample of the audience for the ad, and then use this data as a basis for his judgment.

Having outlined what are polar approaches to evaluating claims made by an advertisement, it is only fair to point out that, in fact, this is an oversimplification. Lawyers and the FTC are attempting to shift towards more behaviorally-oriented evaluative criteria. As a brief review of some of the applicable research indicates, however, this shift is not without its problems.

Chapter Four discussed the selectivity of human information processing. To what extent does this selectivity extend to the perception of claims in advertisements? We suggested that the consumer was an astute "tuner-outer"[6] of information perceived not to be useful. To what extent does this apply to implied claims? Does the consumer reject the implication, or does he infer from the implication?

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[6] See Chapter Four, p. 26.

The research evidence on this subject is limited. However, Preston has conducted several studies that can offer some insight. In a laboratory experiment, he exposed subjects to a variety of advertisements.[7] After each advertisement, subjects were asked to appraise as accurate or inaccurate a series of five statements pertaining to the advertisement. Each statement bore a differing, logical relationship to the ad; and, one of the five was illogically derived. Different logical fallacies were employed. One example, quoted by Preston, involved Salem cigarettes. The ad claimed that Salem was different ("Try something different for a change"). The illogical statement claimed that Salem was the only cigarette different from other brands.[8] Preston found that although subjects claimed "logically invalid" statements to be accurate significantly less often than "logically valid" statements, they also stated 65.3 percent of the time that the "logically invalid" statement was an accurate re-statement. When respondents were asked why they had responded this way, they alleged that "the advertisements, indeed, did 'say' those things. . .even though they didn't say them literally. They 'said' them in the sense that the statements represented what the advertiser intended."[9] Thus, Preston suggested that people "approach ads with a set to perceive them as saying what the advertiser would have liked most to say."[10] In a subsequent study, Preston and Scharbach embedded similar messages in the context of an advertisement, a letter, a memo, and a news story.[11] Acceptance of the "logically invalid" statement averaged 62.5 percent for ads, versus 56.3 percent, 50.8 percent, and 48.6 percent, respectively, for letters, memos, and news stories.

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[7] Ivan L. Preston, "Logic and Illogic in the Advertising Process," Journalism Quarterly, Vol. 44, No. 2 (Summer 1967), pp. 231-239.

[8] Ibid., p. 232.

[9] Ibid., p. 237.

Preston's studies, while not conclusive, seem to support the notion of a perpetual set for advertisement reading. On the basis of this work, it could be argued that there exists an 'understanding' between advertiser and reader, whereby the reader accepts the implied claim because he knows it is what the advertiser would like him to believe. How does this view jibe with the viewpoint of Chapter Four? Does it suggest that the consumer may be more susceptible to the advertiser than we imply? There are two good reasons why we must treat Preston's interesting results as very tentative. First, both studies were conducted in the laboratory, rather than the field. As Hovland pointed out,[12] there are a number of important differences between laboratory and field studies of communication. Notably, exposure to the communication is forced in lab studies, rather than self-selected by the subject. Furthermore, subjects in this instance were students, rather than a representative sample of consumers. Such factors lead us to question the external validity of the studies, and to be disinclined to generalize from their results. Second, no measures were obtained for respondents' attitudes, intentions, or purchase behavior for the advertised products. Thus, it could be that Preston's results were illustrative of the screening we discussed in Chapter Four. Consumers could well be saying, "Yes, I know this is what the advertiser wants me to think." Whether or not this changes his evaluative beliefs about the brand, or the likelihood that he would purchase it, is a different matter.

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[10] Ibid., p. 239.

[11] Ivan L. Preston and Steven E. Scharbach, "Advertising: More Than Meets the Eye," Journal of Advertising Research, Vol. 11, No. 3 (June, 1971), pp. 19-26.

[12] Carl I. Hovland, "Reconciling Conflicting Results Derived from Experimental and Survey Studies of Attitude Change," The American Psychologist, Vol. 14 (January, 1959), pp. 8-17.

We are convinced that the decision on what is or is not claimed in an advertisement is best resolved by a behavioral criterion. Preston's work demonstrates that research of this type is feasible. We urge that such research be extended to yield more generalizable results. Use of a more representative sample, more appropriate criterion variables, and measurement under field (rather than laboratory conditions) could help further this end. The materiality of implied claims should rest upon the extent to which they cause changes in brand comprehension or attitude for relevant audiences. If they cause such changes and the claim -- direct or implied -- is insubstantiable, we believe that the advertisement is not contributing to the goal of an informed marketplace; rather, it is spreading misinformation.

Endorsements

A good proportion of hearing testimony was devoted to the issue of testimonials. Mr. Overholser (T296-298), Dr. Krugman (T222-229), Mrs. Scott (T1095), Mr. Cohen (T1156), Prof. Morrison (T1213), Dr. Barcus (T1384), Mr. Helitzer (T1409), Prof. Lehmann (T1629-1630), and Mr. Tannenbaum (T1752-1766) all dealt with this subject. The Commissioners were interested in understanding how endorsements worked, and in determining whether or not they were efficacious, as well as learning about the current state of behavioral research in the area (Jones T1629; Dixon T296).

Mr. Tannenbaum, chairman of the Board of Kenyon and Eckhart, Inc., dealt at length with the use of endorsements. He described three major types of endorsements. The celebrity endorsement may be used as either a spokesman for the product, or as a direct or implied endorsement. The expert endorsement may not use a celebrity; but, rather, it uses a source (spokesman) which would be perceived as competent in judging the brand or product class. Examples would be a nutritionist endorsing a food product, or an engineer attesting to product dependability. A third type of endorsement uses ordinary people who would normally use the product.

Mr. Tannenbaum believed that endorsements had survived "because the meager research on the subject shows it is a slightly better-than-average way to get attention and. . .persuade people." (T1752-53). His subsequent testimony suggested that he viewed the different types of endorsement as affecting the consumer in the following ways:

Source Type	Effects on Consumer
Celebrity	Attention, Confidence, Believability
Expert	Confidence, Attitude
"Ordinary"	Confidence, Attitude

There was reasonable correspondence between Tannenbaum's ideas, and the ideas of other spokesmen. For example, Overholser pointed out that well-known personalities can be used solely to attract attention. In other instances, celebrities can be used to lend authority to the claim (T297). Mrs. Scott amplified the role of casting in selecting "ordinary" people, agreeing with Commissioner Jones that the goals of the casting process were in many ways analogous to the role of testimonials, in that the character should add confidence and credibility to the message (T1095). Mr. Aaron and Mr. Cohen, while concerned to emphasize the importance of the copy itself, agreed that testimonials contributed to credibility, but that the choice of produc spokesman was more important in gaining attention (T1156). The constructs of attention and confidence are components of the comprehensive model discussed in Chapter Four. We shall now examine the research evidence more closely, attempting to integrate this evidence with the hearing data.

The general area of testimonials and endorsements is known to mass communication theorists as the "source" effect. It was this research which provided the basis for Morrison's exposition during the hearings (T1213). Let us examine Bauer's model of the source effect, and describe some of the associated empirical research.

Bauer's communication model distinguishes between characteristics of the source bearing on the psychosocial, and problem-solving motivations of the receiver.[13] He presents the following paradigm, which incorporates Kelman's three types of attitude change: internalization, compliance, and identification.[14]

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[13] Raymond A. Bauer, "Source Effect and Personality: A New Look" in Risk Taking and Information Handling in Consumer Behavior, ed. Donald F. Cox, Boston, Division of Research, 1967, pp. 559-578.

Table 4

Problem-Solving and Psychological Games

The Game	Components		Type of Attitude Change
Problem-Solving	Competence	Trust	Internalization
Psychosocial	Power	Likeability	Compliance Identification

From Bauer, Ibid., p. 563

The competence and trust components of the "source effect" are relevant to problem-solving games. As defined by Bauer, they "provide answers to the following questions: Does this person know what he is talking about? Should I believe him."[15] Power and likeability are associated with psychosocial games. They "answer the general question: Is there any reason why I should ingratiate this person?"[16] The power component asks, "What can he do for, or to, me?"[17] The likeability component is related to: "Do I want to please him apart from what he can do to, or for, me?"[18]

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[14] H. C. Kelman, "Processes of Opinion Change," Public Opinion Quarterly 25, 1961), pp. 57-78; see also Chapter Four, p. 21.

[15] Bauer, op. cit., p. 564.

[16] Ibid.

[17] Ibid.

[18] Ibid.

The types of attitude change merit elaboration. Compliance is "behavioral conformity aimed at ingratiating a person whom one likes, fears, or seeks a favor from,"[19] and does not appear relevant to advertising. Identification, however, implies meaningful change in attitude to stabilize relations to some other person.[20] As Morrison points out, the maintenance of the new belief "depends on the source continually advocating it and the receiver's continuing role relationship with the attractive source" (T1212-13). In this sense, attitude change due to identification is less stable and enduring than that due to internalization. In Bauer's terms, an individual who acquires and utilizes information for problem-solving purposes should "internalize" any new attitude, for it will constitute a change in belief rather than "more overt behavioral compliance."[21]

The distinctions between internalization and identification, and between the characteristics of the source, are useful aids in the examination of the use of testimonials in advertising. We shall return to them later. However, within the area of source credibility (competence and trust), a further distinction must be drawn. The world of advertising is a competitive one, with each advertiser attempting to surpass or even rebuff the communications of his competitors. Thus, in social psychological terms, the resistance of attitude change to counter-propaganda should be an important concern to the marketer. Bauer summarizes research evidence suggesting that attitude change resulting from a high-competence, high-trust source is less resistant to counter-propaganda (e.g. competitive advertising) than that resulting from a high-competence, low-trust source. Although the initial attitude change is greater for the high-trust source, Bauer hypothesizes that, with the high-trust source, the receiver is likely to accept the advocated viewpoint without closely examining the evidence offered. In contrast, with a source low in trustworthiness but high in competence, the receiver is likely to examine the evidence closely, retaining factual information and supporting arguments. In this instance, the attitude change should prove more resistant to counter-propaganda. Morrison described the importance of the objectivity of the source on persuasion as "so small as to be almost at the vanishing point" (Morrison T1213). A related area of research is the work on attitude immunization by McGuire and others.[22]

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[19] _Ibid_., p. 567.

[20] _Ibid_., p. 568.

[21] _Ibid_.

The issue of testimonials and endorsements provoked a great deal of discussion in the hearings. The Commissioners were interested in knowing, for example, if children were especially susceptible to endorsements. The use of celebrities, in particular, also raises the issue of whether or not there is an implied claim. However, the hearings themselves did not resolve the issue of how such endorsements work -- knowledge important to those concerned with the regulation of advertising. Does communications research provide a systematic body of knowledge to guide policy-making? On the one hand, spokesmen (such as Morrison) claim that there is such research (T1212); on the other hand, spokesmen (such as Krugman and Overholser) suggest there is not (T229, T297A). How may these differences be reconciled?

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[22] See, for example, Demetrios Papageorgis and William J. McGuire, "The Generality of Immunity to Persuasion Produced by Pre-exposure to Weakened Counter-arguments," Journal of Abnormal and Social Psychology, Vol. 62 (August, 1961), pp. 475-481; and Stewart W. Bither, Ira J. Dolich and Elaine B. Nell, "The Application of Attitude Immunization Techniques in Marketing," Journal of Marketing Research, Vol. 8 (February, 1971, pp. 56-61.

Summary

It is true that there exists a considerable body of research on the source effect in communications. The work of Bauer, Kelman, Hovland, and others, discussed in the previous section, is a well-established and important area of behavioral research. It is also true, however, that this research lacks the external validity necessary to render it the most useful guide to policy-making.

Much communications research in the basic behavioral science context has been conducted in the laboratory, rather than in the field. The differences between these research environments, as noted by Hovland,[23] render dangerous facile generalization from laboratory to field. These differences thus place limits on the applicability of the research done on the social psychology of communication to the problems of advertising regulation. Furthermore, while the source-message-channel-receiver paradigm has been widely employed in the context of mass communications theory, the work of Kelman (used by Bauer) largely relates to a personal source. This, therefore, leads us to question its applicability to advertising.

Suppose we turn from social psychology to advertising research. By the admission of the industry itself, the state of research is not encouraging. For quite justifiable and pragmatic reasons, the research of the practitioner is usually specific to particular decision problems, and short-run in focus. As stated by Mr. Overholser, "We generally, as business researchers, research individual campaigns, and we are, perhaps to our disadvantage ... pretty short on generalizations" (T297-A). The specialization of practitioners was further evidenced in the discussion with Dr. Krugman of General Electric. He explained that his expertise was in the measurement of advertising effects, rather than specifics of advertising composition (T227). In his opinion, celebrities could serve as attention-getters (T223). However, he had not done any research on selection of celebrities (T229). Tannenbaum, also, suggested the lack of research on the topic (T1752).[24]

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[23] Hovland, *op. cit.*

We conclude that the very nature of the problems faced by the individual practitioner results in a splintered, ad hoc empiricism inimical to building the systematized body of general knowledge which characterizes a science. In an area subject to considerable public debate, it is this knowledge which is necessary for sound guidance to policy makers.[25] The work of social psychologists has provided the theoretical framework from which field-validated research on endorsements can develop. In our judgment, policy makers in industry and government are acting responsibly in seeking this type of data. The empirical task is feasible. We believe that every encouragement should be given to the job of furthering development in this area.

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[24] One field study of the effect of an endorsement is Davis B. Montgomery and J. Scott Armstrong, "Brand Trial After Change in Promotion Credibility," Working Paper, Marketing Science Institute, 1970. However, there was considerable factual substantiation for the endorsement, which from our perspective is a confounding variable.

[25] See, for example, "A Celebrity's Pitch Raises Some Doubts," Business Week, May 20, 1972, p. 32.

Based on the testimony, the following distinctions seem particularly important to the study of the source effect in the advertising context. First, following Tannenbaum (T1757), it is important that the potential roles of a celebrity as announcer and endorser be distinguished. Second, the distinction between "celebrity," "expert," and "ordinary person" (T1759) would seem a priori, an important one in evaluating the effects of testimonials. Furthermore, when considering "celebrities," regulators should not forget that media can create their own "celebrities," as pointed out by Helitzer (T1409). This type of endorsement should not be omitted from consideration. The use of celebrities also raises issues of implied claims. When used in an announcer role, it is presumed that the celebrity does not personally endorse the product. If he does endorse it, we believe he should actually have used the product.. An important research issue is the extent to which the celebrity, used only in the announcer role, leaves the implication in the audience's mind that he is an enthusiastic user of the product. Finally, as Chapter Six will indicate, we believe priority in this research should be devoted to the child audience.

Specific Appeals

In Chapter Four we discussed information utilization in a variety of decision-making situations, including repeat purchase, a new brand, and a radically new brand. In each of these situations, the advertiser has a number of ways in which he may attempt to influence consumer brand choice.

At the most general (yet basic) level, we may conceive of an appeal aimed at motives. These motives can be innate, such as hunger, pain, or sex. Or, they may be socially-acquired motives, such as the need for achievement, affiliation, or power. There is little doubt about the importance of such motives. But, because they are generic and not brand or product class-specific, they can be difficult to use in advertising. Without care, the advertiser might find himself stimulating demand for his competitor's brand, or even for another product class! Unless he is a monopolist or a trade association, the advertiser is generally more interested in stimulating selective, rather than primary, demand.

Advertising is often used to trigger a need; this, in turn, can lead to satisfaction of a basic motive. Supermarket advertising, for example, may be geared to remind housewives of their food needs, which will satisfy the hunger motive for themselves (and their families) in the ensuing week.

The most common form of national advertising deals with the dimensions of attitude discussed in Chapter Four. Appeals can be couched in terms of these attitudes. These are the criterial attributes which determine brand desire, and are part of the product class concept (They are similar to the salient dimensions discussed by Mr. Overholser [T285, 289]). They are often the tangible, physical dimensions which we labeled personal attitudes; for example, cleanliness: "Brand X gets your dishes clean." Another aspect of attitudes is the self-concept level, which relates to how the consumer views himself.

We used the term interpersonal attitudes to describe how the consumer views himself in terms of his acceptability to others. A second component of self-concept, which we might call intra-personal attitudes, is how the consumer views himself in terms of his ideal self. For certain types of products, such as personal care products and clothes, self-concept attitudes are particularly salient to the consumer. While clothes do not truly "maketh the man," they do tell a great deal about the type of person the individual would like to be, and how he would like his friends and associates to think about him. The frequency with which clothes shoppers take friends along with them to invite their opinions on alternatives indicates the importance of interpersonal attitudes in clothes selection.

Advertising appeals can also be framed at the impersonal attitude level. Thus, advertising might stress breadth of distribution ("At your neighborhood drugstore"), or low price ("Costs less per serving").

Other terminology is frequently used to discuss advertising appeals. It is important to review these alternatives, and to compare them with our taxonomy.

Psychic or psychological appeals are terms used to describe appeals aimed at the self-concept level of attitude. The term implied benefits is often similarly used. But, since the notion of an implied claim or benefit is applicable across the entire range of types of appeal (though probably used most frequently in the self-concept type), we prefer to differentiate between the issues of implied claims, and types of appeal.

The needs of the consumer are frequently partitioned into rational and emotional categories (Jones T141, Kendall T133). While we are not prepared to endorse this dichotomization, let us examine it. "Man does not live by bread alone" is frequently cited to suggest the falsity of this dichotomy. We find this appropriate. Thus, the very terms employed carry implicit value judgments which, to us, seem unmerited. As industry pointed out, the consumer purchases not a product, but a bundle of anticipated satisfactions[26] (Kendall T134). While the consumer behavior models discussed in Chapter Three may, for analytic purposes, partition motives, needs, or attitudes, they do not presume to adjudge or rank their legitimacy. Nor should they, for this is tantamount to negation of the free exercise of consumer choice, the desirability of which is a fundamental premise of this treatise. Nonetheless, the rational-emotional distinction, though imperfectly articulated, is one attempt at classification of appeals. As most frequently used, it loosely corresponds to out distinction between self-concept appeals and other types of appeals.

A final classification we should mention is between "end benefit" and "end-end benefit," terms quite widely used by industry. In using a detergent, for example, the end benefit claim might be, "whiter (or whitest!) clothes"; the end-end benefit claim might be, "Your family will love you more." The end benefit is directly linked to use or consumption of the brand; the end-end benefit is supposedly derived therefrom.[27]

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[26] T. Levitt, "The Morality (?) of Advertising," Harvard Business Review Vol. 48, No. 4 (July-August 1970), pp. 84-92.

[27] Some interesting examples of advertising appeals are given in The Gallagher Report, Vol. 19, No. 40, Section 2, October 5, 1971.

The two types of appeals most important to our purpose are those based on the personal attitude level, and those based on the self-concept level. As we see it, the key problem is the extent to which the benefits delivered by the product consumption do, in fact, match the expectations the consumer is given by its advertising. Given that the existence of a claim is established (see discussion of implied claims), the issue is to determine whether or not delivered benefits match those claims. For self-concept appeals, the problem is generically no different from performance claims.

The toothpaste advertiser who claims that regular use of "Whizz-white" produces teeth 25 percent brighter than any competitive brand should only do so if the claim is true and supported. If he then claims that people will like you more (interpersonal attitude), and that the same white teeth produce a 25 percent higher rate of job promotions (impersonal attitude), why should the notion of substantiation be less applicable? At this stage, we do not wish to suggest that substantiation should be required in every case. But we see no reason why evaluative procedures and criteria should be any less stringent on the part of industry, government, or consumer, for those types of appeals. We are not, however, suggesting that such appeals should be disallowed. Nor does our suggestion solve the problem operationally, for we are dealing with a subjective and behavioral definition of product -- a definition which has ensuing complications, despite our belief in its conceptual soundness.

Let us summarize our discussion of appeals. In brand choice, the consumer forms certain attitudes which are criterial; i.e., operational determinants of choice. These attitudes may be of three basic types: personal, self-concept, and impersonal. Advertising can utilize these three types of attitudes as a basis for advertising appeals, in addition to the alternatives of providing need triggering cues or attempting to tap basic motives. Much social criticism of advertising has focused on the use of self-concept appeals. Yet, certain product categories are naturally invested with self-concept considerations. (Personal care products and clothes were used as examples.) Since self-concept attitudes are often criterial in such cases, we do not believe it inappropriate to use them as the basis for advertising appeals. With respect to standards of truth, however, we see no reason why such appeals should be treated any differently from other types of claims, such as product performance. Use of such appeals for product categories where self-concept attitudes are not criterial, seems altogether less desirable. It would also make poor sense to the advertiser since, by definition, he would be advertising on non-salient attitude dimensions.

Sex in Advertising

The use of sex in advertising received special attention in the hearings. Therefore, we shall devote a section specifically to the subject.

Professor Bruce Morrison spoke about his research on sex in advertising (T1189-T1206). He pointed out that this is another area in which little systematic research has been done to guide practitioners or regulators. Nonetheless, this has inhibited neither the use of sex in advertising, nor the criticism resulting from such use.

There are two aspects of the use of sex in advertising which concern us here. The first is the type of appeal which suggests to the consumer that he will enjoy enhanced sexual attractiveness or success from usage of the brand. The second is the overt use of sexual themes in advertising, whether in visuals or copy.

The increased sex appeal claim is an example of the use of self-concept (interpersonal) attitudes. This technique was criticized at some length by Ms. Whitney Adams of the National Organization of Women. She claimed that a survey in the Washington area found that "television commercials playing on women's anxieties regarding their personal appearance made up 11.6 percent of the total ads" (T1847). Although this survey suggests that this type of commercial was much less prevalent for men, Winick points out that here, too, similar kinds of benefits are implied.[28]

We believe that this use of sex in advertising is more important to our objectives than is overt sexuality in advertising. However, use of the sex appeal theme represents a special case of the issues we have discussed under the topics of implied claims and use of self-concept appeals. We believe that the use of sex appeal themes should be approached in the manner previously discussed by us.

Overt sexuality in advertising is largely dependent upon prevailing cultural mores. What is acceptable today is considerably different from what was acceptable ten years ago. Self-regulation, including the National Association of Broadcasters and continuity clearance departments (for the electronic media) are particularly vigilant in this area, but have been flexible in response to changing mores.

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[28] Charles Winick, "Sex in Advertising," Sexual Behavior, April, 1971, p. 79.

Most of the knowledge about sexual themes in advertising is related to the case of sexy visuals. Although there is little systematic evidence, it is well-accepted that the use of sexy illustrations can draw attention to an ad, although such use does not necessarily increase readership, recall, or attitude. Baker makes this point in his detailed discussion of the visual use of sex in advertising.[29] Steadman, in a study criticized by Morrison (T1191), also claimed confirmation of this view.[30] Morrison's findings, however, indicate that this generalization may well over-simplify the case.

Morrison asked 615 male and female undergraduates to rate a total of 300 nationally-run magazine ads.[31] Respondents first judged the inherent sexual connotation of the products without seeing the ads. Then, after seeing the ads, they rated them on the degree of nudity, realism, romantic content, sexual overtones in printed words, and stimulated sexual arousal.

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[29] Stephen Baker, Visual Persuasion (New York: McGraw-Hill, 1961).

[30] Major Steadman, "How Sexy Illustrations Affect Brand Recall," Journal of Advertising Research, Vol. 9, No. 1 (March, 1969), pp. 15-19.

[31] Although this study was described in the testimony (T1191-1196), it was subsequently published: Bruce J. Morrison and Richard C. Sherman, "Who Responds to Sex in Advertising?", Journal of Advertising Research, Vol. 12, No. 2 (April, 1972), pp. 15-19.

Considerable differences were found in the ways people perceive sex in ads. Women seem more sensitive than men to suggestiveness of copy.[32] However, neither women nor men are homogeneous in their perceptions of sex. For example, groups constituting 45 percent of the women reported nudity in nearly all the ads, while groups amounting to 35 percent of the women reported practically no nudity in the same ads.[33] Judging by the results of this study, blanket generalizations about responses to sex seem unwarranted. Morrison also presented some evidence on recall and sex. This evidence supported the traditional view that sex in ads is not conducive to recall (T1197). The study suggested some inhibitory effect of sex on memory, and provided tentative evidence for a nonlinear relationship between time spent looking at an ad and memory for differing amounts of sex in the ad (T1201).

A Framework for Public Policy Evaluation

We summarize our discussion of advertising appeals in Table 5. The framework is not comprehensive, but serves to highlight some of the more important issues for public policy purposes.

Table 5 uses the source-message-receiver classification. With respect to source, following Tannenbaum (T1753), we distinguish the categories of celebrity, expert and ordinary, and the roles of announcer and endorser. From the research or regulatory perspective, the use of the celebrity as endorser or announcer should probably

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[32] Ibid., p. 18.

[33] Ibid., p. 19.

Table 5

Framework for Public Policy Evaluation

Characteristics of Source	Characteristics of Message	Characteristics of Audience
None	Implied vs. Actual Claims	General Audience
Celebrity - Announcer	Need	
- Endorser	Motive	Special Audience - Children
Expert - Announcer		- Underprivileged
	Attitudes - Personal	- Minorities
Ordinary - Endorser	- Impersonal	
- Announcer	- Intrapersonal	
	- Interpersonal	

receive highest priority. The implied claim issue is probably most crucial for this combination.

In the area of message characteristics, the issue of implied claims is a very important one and clearly merits further research effort. In the meantime, the FTC has some power to decide whether a claim has been made or not. Substantiation of claims has increasingly become a regular part of industry and government practice. Thus far, most of this effort has focused on performance claims. But its extension to other types of claims, such as self-concept appeals, seems perfectly consistent.

Concluding with audience characteristics, we note that a great deal of the testimony was concerned with issues related to the possible susceptibility of certain special audiences (particularly children) to implied claims and associations with endorsers (T1337, T1488). Some exploratory evidence suggests that these fears may be unwarranted (Lehmann T1620). However, until the hypothesis of special susceptibility can be more definitely accepted or refuted, this area should be approached carefully.

Specific Issues and Techniques in Advertising

Certain features of advertising copy in both print and electronic media, formed the basis for some lively comments during the hearings. Incomplete comparatives (Seaman T421-423), and the use of qualifiers (Barcus T1375-1376), are both copy features which created some concern. More important were the discussions of puffery, which we shall discuss at this point.

Puffery

Puffery is a real bone of contention between industry and its critics. Capitman felt that "one of the really astounding claims made by an advertising spokesman in these hearings is that 'puffery' is understood and discounted by the public" (Capitman T1793). He was unprepared to accept that advertising should operate on the basic expectation that people will not believe what it says. Others imply that if exaggeration is clearly discernible as such (which leaves moot the question of by whom, and using what criteria), there is little to be concerned about (Greyser T55). John Nevin, President of Zenith Radio Corporation, felt that it was "in our long-term interest to get a message across and get rid...of some of the suspicion that all advertising is puffery and all claims are unsubstantiated." (Nevin T819). Alfred Seaman, President of SSC&B, argued, however, that

> We (the industry) need the language of enthusiasm. We need the luxuty of harmless puffery. We need the right to make those margins (of product superiority) meaningful because they are the small steps on the stairway that leads to better products, greater satisfaction and more prosperity. (Seaman T401)

At what point does exaggeration become inadmissible, legally or morally? Is it, as Greyser implies, to be regarded as acceptable when advertising's exaggeration is discernible? Does it then follow that the patently ridiculous is to be permissible, the mildly enthusiastic reprehensible? This kind of reasoning seems to open Pandora's box. Furthermore, when we extend the paradigm (as in Table 5) to consider the possibility of greater susceptibility on the part of special audiences, such as children, the poor, and the uneducated, the situation seems even more complex (Greyser T56).

The crux of the puffery problem lies in the distinction between legitimate salesmanship and deception. Few would argue, we believe, with the right of the advertiser to be enthusiastic about his product. Nonetheless, there is a point beyond which the dramatic becomes the deceptive. This point is the cue for FTC action. Deciding whether or not a representation is deceptive, however, is scarcely aided by a classification of puffery/non-puffery. The issues of implied claims, types of appeals, endorsements, and incomplete comparatives covered in this chapter actually provide the operational tools for analyzing the merits of a particular advertisement. Together with the criteria we shall be discussing in Chapter Nine, they render the issue of deception more analytically tractable than attempting to demarcate the limits of puffery. Perhaps the definition of puffery should be restricted to the area of product performance claims, as was implied by Weil (T1955). The now-established substantiation procedures would be used to adjudge whether or not the ad represented legitimate puffery or deception. Beyond this point, the puffery issue seems moot. Further discussion does not seem useful.

Incomplete Comparatives

"I think that good advertising people are as strongly against incomplete comparatives as our critics." (T391). We believe it is unlikely that many members of the industry would wholeheartedly endorse Seaman's comment. But, it could be prophetic. The efforts of the FTC to induce the networks to accept comparative advertising (in which competitors are named) have borne fruit. However, the response of advertisers has not been overwhelming. Both ABC and CBS had been more reticent than NBC in permitting such advertising. But, in the spring, both ABC and CBS agreed to permit it on a trial basis for the remainder of 1972.[34] Although it is too early to be sure of the ultimate effects, most sponsors "are sticking to general claims,"[35] and tending not to mention competitors.

The term "incomplete comparatives" is becoming well recognized. Therefore, we chose to use it to describe this section. More appropriate, however, would have been a title referring to the use of adjectives in advertising. They may, of course, be used as positives, comparatives, or superlatives (e.g. good, better, best). There seems to be little concern over positive uses. However, when comparatives or superlatives are used, the referent is either frequently omitted, or is very ambiguously described. In our goal of providing consumers with the data necessary to make informed choices among alternative offerings, omission or disguise of referents is clearly dysfunctional. For example, the referent might be one of the advertiser's own brands, one of the competition's brands, some subset of the brands available, or all possible brands. Unless the advertiser tells him, how is the consumer to know which is the appropriate referent? We believe that the interests of the marketplace and, consequently, of the producer and the consumer are best met by minimizing informational obstacles to appraisal of brands. Omission of referents is one such obstacle, and we shall return to it in Chapter Nine.

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[34] "No Real Avalanche to Comparative Claims: Nets," Advertising Age, July 17, 1972, p. 2.

[35] Ibid.

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Qualifiers

Professor Earle Barcus drew attention to the way in which sales messages are qualified (T1376). Although his research was based on a content analysis of programming and advertising on children's Saturday television, the point he raised is more generally salient.

We use the term "qualifier" to indicate the use of a phrase, visual or verbal, which modifies or qualifies the meaning of the primary sales message. For example, an advertisement for a retail department store sale, which states that the sale "runs Friday and Saturday only," qualifies the primary message. Dr. Barcus used the classic, "Batteries Not Included," as an example (T1375-76).

In Dr. Barcus' sample, 20 percent of the advertising messages contained some form of qualification. These messages are frequently quite brief (T1376), and often restricted to one channel -- video or audio -- of the television broadcast. In print advertisements, qualifiers are often shown in small print. For both print and electronic media, the mere use of qualifiers is indicative that they are deemed of importance to the audience of consumers. Yet, if qualifiers are inserted in such a way as to be unintelligible to consumers, their purpose is defeated. It can be argued that their inclusion, in any form, is preferable to omission (Barcus T1378). However, there is considerable potential for deception in advertisements which fail to communicate the conditions by which the offer is constrained. Qualifiers which are not clearly communicated to consumers are another obstacle to informed choice; and, as such, they should not be condoned.

Conclusion

This chapter has covered a wide variety of issues dealing with the methods of advertising, ranging from the technical aspects of production to the use of various appeals and terminology. In discussing these issues, we have attempted to summarize the various viewpoints presented, and to contrast these with the data available from industry practice and scholarly research. While the juxtaposition has sometimes been painful, it has often been suggestive, and we attempted to tentatively develop the implications of these suggestions for policy. Formalizing these implications must await Chapter Nine, where we will present our views on the future role of public policy and advertising.

CHAPTER SIX

ADVERTISING AND SPECIAL AUDIENCES

Consumers differ in their response to advertising. In fact, a great amount of the attention of industry research people is devoted to identifying these "market segments"; that is, groups with different responses.[1] One motive for doing so is simply to attain a better general understanding of the market as a whole. However, companies frequently find it more profitable and growth-developing to focus their advertising and other marketing efforts on specific groups, some of which may be more responsive to advertising.

In this chapter, we shall examine more closely the relationship of advertising to some of these specific groups. In doing so, we shall be concerned not merely with the issue of whether or not some people are more responsive to advertising; but, also, with whether the effects of advertising on certain groups are -- in some sense -- detrimental of damaging. There has been a great deal of concern about children, and some research evidence has been amassed. Consequently, the discussion of this topic will occupy the majority of this chapter. In addition, sections of this chapter will deal with the impact of advertising on the poor and disadvantaged, ethnic minorities, and women. Finally, we shall summarize the policy implications.

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[1] See Chapter Three for more detail.

Advertising and Children

In recent years, the pros and cons of advertising to children have provided a lively forum for public debate. Criticism of the practice, by such groups as Action for Children's Television (ACT), and the Council for Media, Merchandising and Children, has drawn the attention of industry, government and parents.

In this section, we begin with an overview of the practices of advertising to children. We then outline briefly child development, and its relationship to perception and learning. We next turn to the evidence on how television and television advertising affects the child, and discuss and evaluate differing viewpoints on the merits of advertising to children. We shall focus on a number of policy-oriented questions as a means of structuring the discussion, and providing policy guidance. For example, we should like to know the extent to which children are influenced by television advertising. Do children become surrogate salesmen (to their parents) as a result of television advertising? Further, are children able to make sound judgments about the desirability of some products or brands, but not others?

Practices of Advertising to Children

Advertisement development for children's television was discussed in the hearings by Dr. Seymour Banks, research manager of the Leo Burnett Company. His examples stressed the use of pretesting with children, themselves, in deciding on the form of the commercial (Banks W23-24). The advertising agency for a cereal company, for example, used the following procedure:

1. Determine what aspect of the product children perceive as most important.
2. Determine what type of advertising children enjoy; i.e., cartoons or straight facts, discussion, or live with other children, etcetera.
3. Develop advertising that deals with the aspect of the product the children have told us is most important to them, avoiding any type of communication they have told us would turn them off or that is not understandable or does not concur with the child's previous attitudes.
4. When we test among children after we have some tentative idea for a commercial, we try to find out which of our ideas they like best or if there is an idea which we have not considered that they like better. We try our advertising to be sure children can understand it. (Banks T689-690).

According to the agency for a toy manufacturer, the rough filmed commercials (or "interlocks" [T690]), developed as in point 3 above, are pretested -- using controls (Banks W24) -- against previously-established norms for the target group. A considerable amount of research is performed in developing and producing the advertisement--both on the early storyboards, and the later (though still rough) filmed versions of the entire commercial (Banks T690). Mr. Harvey described, in detail, the process of testing new children's products (toys and games), use of the test data in advertisement development, and the production and testing of the advertisements themselves (T1639-1666). These procedures were those used by his agency and Milton Bradley Company, a major manufacturer of toys and games. Play sessions with children of appropriate ages, along with interviews with their parents, are used for testing acceptance and suitability of the product.

These tests are conducted with the "protocepts" described in Chapter Two, p. 23, rather than with the finished product, and sometimes result in abandonment of the new product idea (Harvey T1642-43). After creative personnel are exposed to the product itself, and the results of the research, they begin storyboard development. The completed storyboard is discussed with the NAB code authority (T1647), and any required changes are implemented. Filmed test commercials are then produced and pretested with children and parents.

In developing advertising for children, special attention is devoted to the presentation of the message. Mr. Melvin Helitzer pointed out the role of creating an atmosphere of fun, for "youth advertisers are ardent believers in the ability of fun to be a powerful communications device" (Helitzer T1405). Banks, however, carefully distinguished the basic selling message from the use of a story line, plot, or fun "to help draw attention and maintain attention throughout the commercial" (Banks T706).

Industry spokesmen felt that "the special responsibility involved in advertising to children was understood by everyone -- the advertiser, the agency, the media" (Schwartz T546) -- and claimed that "more demanding sets of standards" were used for such advertising.[2] One such standard is the NAB's code for toy advertising,[3] the results of which were evident in Dr. Earle Barcus' content analysis of commercials on children's television. Dr. Barcus found that "the realistic nature of toy commercials...differ(ed) quite a bit from the sort of fantasy nature of some candy commercials and cereal commercials" (Barcus T1388). This difference, presumably, reflects directly the strict restrictions placed by the code on the use of special camera effects or animations in toy commercials.

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[2] See Chapter Seven for a fuller discussion of self-regulation.

[3] See Appendix One of this report.

The concept that children represent a special audience is supported by the specialization of the industry along these lines. Some of these specialists were quite outspoken in their criticism of certain industry practices. Because of their undoubted expertise, we shall give careful attention to their comments. But, the magnitude of their criticism is dwarfed by the criticism of consumers and their spokesmen. We shall return to these issues later in the chapter.

Programming does not lie within our mandate. Thus, we shall neither discuss it at length, nor evaluate it, except where it raises some advertising-related issues. Dr. Barcus reported that approximately 45 minutes per hour were devoted to programming; the remainder to commercial and noncommercial messages, program promotions, and station identification (Barcus T1368).[4] Four issues are germane to our purposes. First, are children incapable of distinguishing programs from commercials? (Galdston T1341). Second, what should be the appropriate ratio of programming to commercial content? Third, what effect will the altering of this ratio have on the funding of children's programs. And, fourth, what is the propriety of using program personalities for delivery of commercial messages?

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[4] See, also, F. Earle Barcus, Saturday Children's Television, prepared for Action for Children's Television, 1971.

Viewing patterns are an important issue in evaluating the effect of advertising on children. According to Nielsen data, children aged 2 to 11 averaged 23 hours and 34 minutes television viewing per week.[5] This is 20 percent more than teenagers (12-17 years of age), although both children and teenagers view less than the average individual in a television household. Both Mr. Banks (T676-677) and Mr. Locker (T1448) pointed out that the largest proportion of the viewing of children and teenagers takes place in weekday prime time: from 7:30 p.m. to 11:00 p.m. Clearly, an important consideration in the control of advertising to children is this heterogeneity of viewing patterns. Nonetheless, as Table 1 indicates, children aged 2 to 11 spend a larger proportion of their viewing time watching Saturday and Sunday daytime (7:00 a.m. to 5:00 p.m.) television than any other age group.

Child Development

Having briefly examined the practices of advertising to children, it is important that we attain some understanding of the process of child development. Only then shall we be able to place the practices themselves, and the criticisms of them, in correct perspective.

The thinking of a child, two or three years old, is qualitatively different from that of an adult. There is a process of intellectual development in which every human child engages, and the nature and time scale of this process is very important to our task. For example, if we define "children" as the age group two to twelve, we have to ask if the absolute mental capacity of the twelve-year-old is comparable

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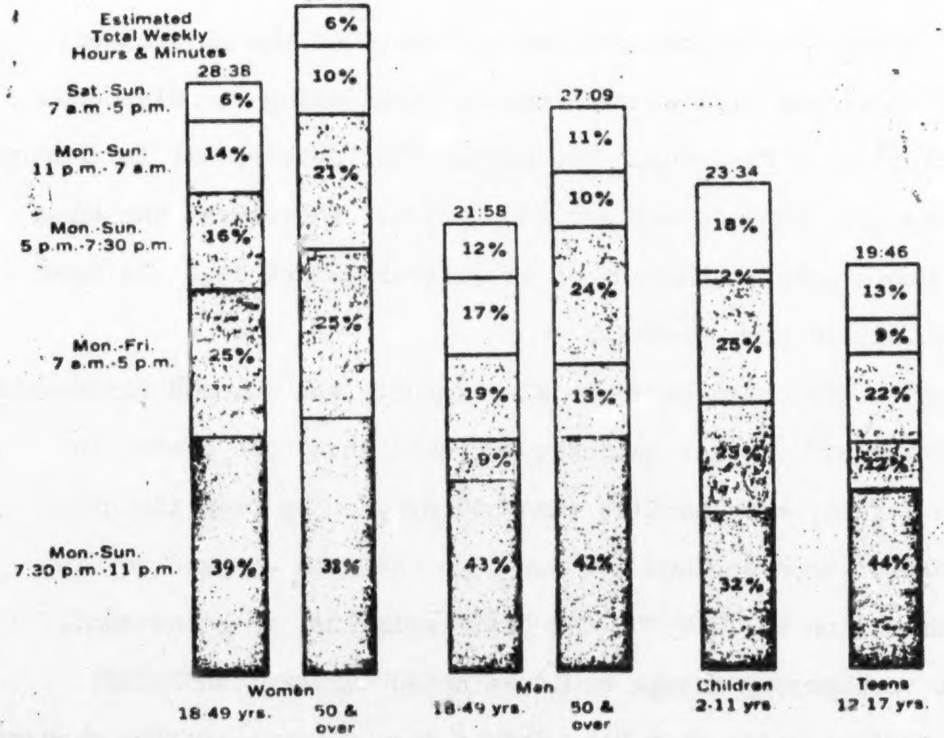
[5] Nielsen Television, A Review of Audience Trends, 1971, p. 13. These data are reproduced in Table 1.

Table 1

Hours Viewed Per Week by Persons*



*From Nielsen Television, A Review of Audience Trends, 1971, p. 13.

to that of the adult. Similarly, we might wish to contrast older and younger children within this two-to-twelve-year-old age range. Thus, knowledge of the process of development is vital to our analysis, and could make considerable difference to our conclusions and policy recommendations.

The chief focus of our review will be on how the child's forms of interaction with the environment become transformed with age. These developmental stages are seen as a result of the interaction of the child's innate structures and the structure of the environment. Although we shall use ages as reference points during our discussion, a word of caution is in order. The notion that development is inexorably linked to specific ages is without foundation. Therefore, the ages mentioned should only be thought of as general guidelines. In fact, ages of acquisition vary greatly.

When does the child begin to discriminate and respond differently to his environment? Recent evidence suggests that this occurs in the newborn infant, much earlier than had previously been thought. Dr. Berry Brazelton described how new-born children adapted to disturbing stimulation so that "by the tenth stimulus, no behavioral, cardiac, or respiratory change could be noted" (Brazelton T1253). Similarly, Kuffler notes that "the infant soon shows selective changes in response to stimulus fields";[6] for, while any object in contact with the palate will at first induce sucking, "within days any non-nutritive stimulus is rejected."[7] At four weeks, the child is reacting positively to comforts and satisfactions, negatively to pain and denial. "He is already beginning, in his small ways, to impose his wants on the outside world and, in turn, to respond to that world."[8] At the end of the third month, the child is beginning to partially coordinate two simultaneous activities, and curiosity begins to become prepotent over nutritional needs.[9]

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[6] Kuffler, P., It Is Time to Learn: A Survey of Children's Learning from Birth to Six Years, Boston, Mass., mimeo, 1969, p. 130.

[7] Ibid.

Early in the infant's life, he is able to "select and attend to stimuli with narrowly determined properties" (Brazelton T1254). This is indicative of information processing which sets the stage for individual differences in infants. Nonetheless, below the age of four, "perpetual, cognitive, and vocabulary skills are still incomplete and quite simplified in organization...lacking in discrimination and inconsistent in classification schemes" (Banks W12).

According to Piaget, these skills develop, in three periods, over a considerable length of time. The first time period extends from birth to two years of age; the second, from two to six years of age (possibly later);[10] and, the third time span extends to sixteen years of age. Thus the first four months of the infant's life are marked by transition from reflex behavior to voluntary response. During this period, the previous automatic behavior is replaced by deliberate response to recognized stimuli. In the subsequent four months, the child begins to act intentionally, and to differentiate cause and effect. By one year of age, the child is actively involved in exploring new aspects of his environment, and the capacity for intelligent reasoning is emerging.

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[8] Ilg, F.L. and L.B. Ames, Child Behavior (New York: Harper Row, 1966), p.15.

[9] Kuffler, op. cit., p. 140.

[10] There is a lack of agreement over when the second period ends and the third begins. See Kuffler, op. cit., pp. 181-182.

The second year of life sees the child actively experimenting, and comprehending the results of his actions. He is capable of distinguishing his own actions, and their consequences, from those of others. In the latter half of the second year, experimentation leads to invention. Here, the child begins to use objects as means to new ends. Because of an increasing ability to organize his thinking and use mental trial, the child becomes less dependent on restrictive sensori-motor activity.

At about two years of age, the infant's cognitive development progresses from the first (or sensori-motor) period to the period of symbolic operations. In the first (or preconceptual) phase of the period, the child reasons transductively. Instead of using induction or deduction, the child argues or reasons from particular to particular. This is why the phase is called preconceptual. According to Piaget, the child is still without the ability to conceptualize, so that neither induction nor deduction is feasible. In order to be able to conceptualize or generalize, the child must be able to recognize the characteristics which stimuli have in common, and which--in turn--endow them with meaning. Gibson believes that the pre-logical child "may simply not (have) had enough opportunity to look for (these) invariant stimulus properties,"[11] and that this explains the incapacity to generalize. Nonetheless, the child is actively acquiring linguistic symbols and attempting to communicate. Initially, the content of the child's verbal communications are relevant to his own subjective point of view. The child is egocentric. Eventually this egocentrism "yields to a degree of objectivity through (the child's) desire to identify with powerful others in his environment."[12]

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[11] Eleanor J. Gibson, Principles of Perceptual Learning and Development (New York: Appleton Century Crofts, 1969), p. 465.

Intervening between the preconceptual, or preoperational phase, and the concrete operational phase of the period of symbolic operations is the phase of intuition. Generally thought of as occurring somewhere in the four-to-eight-year age range, this is a time of great social development for the child. He is beginning interpersonal relations outside of his immediate family.[13] The child's thought patterns are still basically intuitive at this point, and tend to be perceptually--rather than logically--based. Thus, the car which arrives at its destination first must be the fastest, regardless of the distance traveled.[14] However, the child's increasing contact with the external environment necessitates greater consistency in his thought patterns. He is beginning to acquire the capacity to recognize invariant properties of stimuli and, consequently, to generalize. Significant characteristics of objects, such as shape or uses, are used as a basis of grouping. However, although he is beginning to understand "that various properties can be altered while the total quantity remains unaltered,"[15] this understanding is far from complete.

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[12] Kuffler, op. cit., p. 206.

[13] Ibid.

[14] Ibid., p. 208.

[15] Ibid., p. 209.

The period of concrete operations is considered by Piaget to extend from about six or eight years of age until age eleven. But, with adequate early educational experience, the capacity for concrete operational thought may be acquired as early as age five. The capacity for operational thought "refers to the mental capacity to order and relate experiences to an organized whole."[16] The child realizes that objects can be classified or ordered, according to a variety of characteristics or qualities, without altering their innate form or function. This gives the child a facility for mental exploration, enabling him to abstract from concrete experiences. This, in turn, leads to the ability to hypothesize and to reason deductively.

Our immediate concern with the developmental process ends somewhere between the ages of eight and eleven, when childhood ends and youth begins. The cognition of the youth matures by around the age of fifteen. This is the phase of formal operations, when a systematic approach to problems evolves. At the level of concrete operations, the human is "limited to a direct organization of empirically-given data."[17] At the formal operational level, he subordinates reality to possibility. He can reason about propositions "removed from their concrete appearance and hence independent of their truth."[18] Thus, the adolescent at the stage of formal operations uses hypotheses and implication as would an adult. At this point, the individual has reached intellectual maturity.

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[16] Ibid., p. 212.

[17] Deanna Kuhn, Jonas Langer, Lawrence Kohlberg and Norma S. Haan, The Development of Formal Operations in Logical and Moral Judgment, unpublished manuscript, 1971, p. 7.

[18] Ibid.

Summary

To provide a series of reference points, we have presented an encapsulated view of child development. This was based to a considerable extent on the work of Piaget. Although his work on cognitive development is widely acknowledged, it is only fair to point out that--as with other areas of research--there is a wide variety of sometimes-competing viewpoints. While most researchers recognize the importance of maturation, some are much less inclined to view development as a series of stages, as do Piaget or Ilg and Ames. Gibson, for example, prefers to look for trends rather than stages,[19] and stresses the role of perception rather than cognition. Some of these differences are definitional rather than real. However, different viewpoints will emerge in the later part of this chapter.

The Child's Response to Television Advertising

We have organized this section around some of the key issues which emerged during the hearings. First, we shall attempt to determine how children perceive commercials, since assertions about this underlie many of the criticisms. Next, we shall consider the evidence and viewpoints about the effect of such advertising on purchase-related attitudes and behaviors, as well as its potential effects on family relationships. Finally, we shall summarize the discussion, presenting some of the recommendations which have been suggested for regulating television advertising to children.

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[19] Gibson, op. cit., p. 50.

Perception of Television Commercials

As our review of child development indicated, it is unjustifiable to generalize across the spectrum of ages which concern us here. Since the perceptual and cognitive apparatus of the child is continually developing during the period which interests us, we must consider these changes during our discussion.

Unfortunately, we know far less than would be desirable about children's behavior in response to TV advertising. A variety of somewhat systematic evidence is available, however, and this evidence conforms well to our general view of child development.[20]

Scott Ward presented data on children in the five-to-twelve-year-old category. He reported that younger children, aged five to seven, were less inclined to decrease their attention when commercials appeared than were eleven or twelve-year-olds (T1552).[21] When children comment on advertising, the younger are more likely than older children to refer to the product advertised than to the advertisement itself (T1554). Younger children, instead of describing advertisements in terms of their purpose, say that "they interrupt the show" (T1557). Kindergarten children indicate no understanding of the purpose of advertisements. Older children, however, define advertisements in terms of the sponsorship. By the fourth to sixth grade, children know that the purpose of advertisements is to promote purchase (T1558). Similarly, Ward reports that children's recall of advertising becomes increasingly complex and multidimensional with age. The youngest children recall only a random image, while some of the oldest go so far as to comment on advertising techniques (T1560).[22]

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[20] As Ward went to great pains to point out,(T1543), much of this evidence is presently very tentative. The reader should bear this in mind throughout the remainder of this chapter.

[21] See, also, Scott Ward, David Levinson and Daniel Wackman, "Children's Attention to Television Advertising," unpublished paper.

Truthfulness and completeness are important issues related to the child's perception of television advertising. Are children as capable as adults at detecting lack of truth in advertisements? Do they possess the skepticism that, to some extent, protects the adult? Ward's evidence suggests that younger children are less competent in this way than older children. Specifically, he found that younger children were more inclined to attribute credibility to advertisements than were older children; but, even for the youngest (five-to-seven-year-olds), the most likely response was that advertisements "sometimes" tell the truth (not "always").[23] This, again, reflects the lesser discriminatory powers of younger children, discussed earlier in this chapter, and found in other studies of children and television.[24]

With respect to completeness, advertising is almost always incomplete in one sense. It generally fails to tell anything favorable about competitive brands! While this may seem to be a facetious aside, it is a material issue for the child audience. We believe the younger child would be less capable of recognizing this form of incompleteness than an adult. There is, however, another aspect to completeness. While no one would suggest that any single advertisement could be "complete," in the sense of telling the audience all there is to know about a brand, material omissions can lead to a very definite incompleteness. This is the issue we raised under the heading of "qualifiers" in Chapter Five (pp. 42-43). However, the more limited abilities of the younger child suggest this should be a matter of great concern for children's advertising.

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[22] See, also, Scott Ward, "Children's Reactions to Commercials," Journal of Advertising Research, Vol. 12, No. 2 (April, 1972), p. 42.

[23] Ibid., p. 43.

[24] Donald R. Lehmann, "An Exploratory Analysis of the Effect of Television Advertising on Children," working paper, Columbia University, 1971.

Ward concluded that perceptions, and awareness of the true nature of advertisements, become increasingly accurate and elaborate as the child grows older. Such differences are consistent with the emerging perceptual and cognitive capacities we noted in our discussion of child development. Hence, the sorts of abilities child development experts ascribe to children in different age groups coincide well with the limited amount of research available on children and television advertising. We shall examine two specific issues which bring the materiality of perceptual and cognitive differences into sharp focus.

Discrimination of Programs from Commercials

Discriminating programs from commercials is often alleged to be more difficult for younger children. Dr. Richard Galdston stated, "I do not believe that the child makes any distinction," and concluded that "only with the advent of more sophisticated thought characteristic of adolescent development does the viewer learn to distinguish the relationship of sponsor to program" (T1341). Similarly, Harvey stated that "pre-schoolers don't discriminate between the commercial and the program" (Harvey T1650). Further, as Dr. Barcus' content analysis indicated, the practices of certain advertisers do not seem likely to inculcate discrimination in the child-viewer; in some cases, it appears that even the adult may experience difficulty. The Romper Room example, which Dr. Barcus discussed, clearly illustrated the close integration of program and commercial content: the same hosts handled both functions, and the program name doubled as a brand name for a line of toys. In this program, Dr. Barcus' data indicated that fifteen out of twenty demonstrated toys were identified with the program sponsor or a related company (T1380-1383).

The evidence indicates that even the very young child possesses some ability to discriminate (Brazelton T1253). However, "changes in ability to focus on wanted information and shut out the irrelevant do occur with age."[25] With maturation, the child is increasingly able to select distinguishing properties adapted to his task, and to disregard non-essential properties.[26] For example, Ward found that older children are more inclined to decrease attention to commercials--"to close them out" (T1552). To expect younger children, whose perceptual and cognitive facilities are not yet complete, to perform similarly when the program and commercial are not clearly separated seems to ask too much. Dr. Brazelton suggested that "closing out" of ads may have an unfavorable effect upon the child. Nervous exhaustion has been found to result when very young children "close out" in other situations (T1254-5). (He was willing to generalize this effect to advertising, and even to adults [T1262]).

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[25] Gibson, op. cit., p. 462.

[26] Ibid.

Our review of child development also suggests that, just as younger children have difficulty comprehending less comprehensible information, they are less able to sort the relevant from the irrelevant. Ward pointed out (T1554) that when household cleaner and cosmetic ads appear, children eight to twelve decrease their attention; but, five-to-seven-year-olds slightly increase their attention. If we assume that these two products are less relevant for younger children than for others, we can suggest, though not conclusively, that it is a case where younger children are not sorting out the irrelevant. Alternatively, it could be argued that the attention is motivated by the epistemic exploration discussed in Chapter Four. In either case, this behavior of younger children suggests that the types of products advertised during children's programming is a matter deserving of attention.

Testimonials and Endorsements

Use of testimonials and endorsements in children's advertisements raises a very similar set of issues, especially when program hosts or characters are utilized. How well the child can discriminate different kinds of information is a crucial factor in adjudging the propriety of those advertising practices. To what extent can children distinguish fact from opinion, or evaluate statements in advertisements or testimonials (Jones T1607).

Based on the evidence available, we cannot give a direct, precise answer to the question of how personalities, endorsements, or testimonials affect the child (Wackman T1609-10). However, some data is available. In Chapter Four, we saw that advertising could have a direct energizing effect on intention to buy a brand, without contributing to the individual's brand concept. This type of effect could well be described as non-rational, since it does not involve the information-processing activity which would otherwise be involved in choice. In these terms, the younger child may indeed be more "suggestible." Dr. Galdston reached a similar conclusion, pointing out that children under eight years of age are inclined to rely on "magical thinking;" instead of testing the reality of a label for a thing and what it bestows upon a person (T1334). Such a child, Dr. Galdston asserted, is especially vulnerable to suggestion (T1335). This vulnerability continues to be a problem beyond eight years of age for retarded and emotionally-disturbed children (which, in the United States, number about one-half million, by his estimate [T1331]). The emotionally-disturbed child believes, for example, that possessing an auto will make him a strong man (T1337). In addition, the general evidence on child development suggests that it is entirely likely that the younger child, whose perception is less selective and task-focused, and who is less able to discriminate advertisements from programs, is unable to divorce commercial and non-commercial roles of program-related personalities, or others acting in testimonial roles.

Although Prof. Lehmann presented some evidence which suggested that the use of personalities, testimonials, and endorsements may not be a very serious issue (T1620), we believe that advertising to children should encourage the development of sound, informed judgment. In speaking of television personalities as "pitch men," Commissioner Jones voiced a similar view, stating that..."I would like the ad at least not to prevent the child from exercising whatever reasoning, discriminatory abilities, judgment abilities they have" (T1629). Although we would like to see more research evidence on the subject, it is our best judgment that the use of testimonials and endorsements does not generally contribute to such ends and, in fact, probably detracts from them.

Having examined some of the issues basic to an understanding of how children perceive advertising, we shall now look at some of the effects which might be considered consequents of advertising to children. Specifically, we shall deal with effects of advertising on the child's desire for product and brand. Later, we shall examine some of the possible non-transactional effects of advertising to children.

Effect on Desire for Product and Brand

The question of whether television advertising induces the child to desire a product and brand can be separated into two parts. First, does it cause him to want the product class? Second, does it help or hinder his choice of a brand within a desired product class?

Product Class. We know of no systematic evidence that advertising motivates a child to want the product class. There was discussion of this issue during the hearings. Dr. Albert Bandura felt that there was such an effect, but only for the first purchase. Thereafter, satisfaction derived from the purchase would determine behavior (T1294).

We would be surprised if systematic evidence on the power of television advertising to stimulate the child's desire for a product would not be obtained. The key question is whether, as a result of advertising exposure, the child desires more of the product class in total, irrespective of brand. Such research should be controlled, for it is possible that the effect of the advertising was merely to shift forward in time a desire that would have manifested itself anyway. For adults, economists would point out that the family budget constraint may inhibit this "shift in tastes." It is doubtful that a budget constraint is a meaningful idea to children, especially when they are younger, for it implies calculation and planning sufficient to realize that "If I get this, I cannot have that." We believe that younger children seldom say this to themselves. For them, Mother does not operate within a tight budget.

Brand Choice -- Transactional Role. Does television advertising help or hinder the child in choosing among brands of a product class that he desires? We see two possible ways that advertising might help. The first is by providing information specific to brand and/or product class -- in other words, information directly related to the transaction. The second is by providing some general benefit to the child in learning how to consume. This is a non-transactional role, which we shall discuss later in this chapter.

In Chapter Four, we described the process of consumer brand choice: the consumer chooses among brands by first forming a concept of them. He learns to identify (comprehend) brands by distinguishing their physical attributes. Some cereal brand boxes are larger than others. This box size is a criterial attribute. He, also, judges the brand on certain attributes. These attributes often differ from those by which he identifies the brand; for example, sweetness. Thus, there develops a favorable or unfavorable attitude toward the brand. Finally, he develops a degree of confidence in his ability to make this judgment. This confidence facilitates his choice.

Television advertising, undoubtedly, helps a child form and use brand concepts. It tells him that a brand is available; therefore, he can begin to form a concept of it. If he already has the concept, he should be able to use the concept to decide whether or not he wants the brand. But, is there any factor in the situation which might cause us to question whether it is beneficial for advertising to serve this role in the case of children?

In our discussion of child development, we noted that very young children have different reasoning powers from adults. We recognized that children often mature at slightly different times, and that the ultimate value reached -- such as, so-called I.Q. -- varies among children of any given age. However, age provided us with a useful way of thinking about differences in perceptual and cognitive abilities. We established that the abilities to discriminate, to find the invariant features of objects, and to see objects as enough like other objects to form a class of things, improve with age. Finer discriminations become possible, and the child is able to focus his attention more and more on things that are important to him. He becomes increasingly selective in what information he picks up.[27] The younger child, however, lacks the ability to conceptualize. Hence, we would expect that the notion of competing brands would be meaningless for the younger child. We have little direct evidence with which to evaluate this proposition. However, the evidence that exists coincides with this view. One study found that, compared with older children, younger children were less able to perceive similarities between brands, less likely to know about as many brands, and tended to view products unidimensionally.[28]

The evidence discussed so far has dealt with the comprehension element of the brand concept. How about the preference element of the brand concept; that is, the attitude toward the brand? Evidence from studying adult consumers indicates that brand attitude is formed as brand comprehension is formed. In the case of children, we again lack direct evidence. However, we suspect that the discriminatory difficulties we discussed for the comprehension element of the brand concept are compounded for attitude. Quite tangible and concrete attributes usually serve as the basis of brand comprehension. Attitudes, however, are often formed about less tangible attributes, and can exist at a number of levels. Let us take the case of breakfast cereals. There are a number of levels of benefits with which brand consumption may endow the child. One of the simplest might be taste; and, of course, the child is able to make this discrimination. Nutrition would represent a second and more complex level. Can the child really judge how nutritious the brand is? (Or, as it might be stated, whether or not a certain brand will help him grow bigger or stronger?) We might extend the example to what we have designated as the self-concept appeal. Here, the benefit might be that brand consumption would cause the child to be better liked and more respected by his friends. This level would be most difficult for the child to discriminate (and, for the advertiser to substantiate!). We have stated our view that such appeals to adults, provided they were substantiable, seemed reasonable. In the case of a child audience, which would find it easier to draw wrong inferences from the advertisement, we feel that much more caution is necessary.

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[27] Gibson, op. cit., p. 471.

[28] Lehmann, op. cit., pp. 7-8.

Differences Among Product Classes. Casual observation of products suggests that some products are more easily comprehended and evaluated than others. For example, most would agree that a baseball is more easily comprehended and evaluated by children than is a vitamin supplement. From physical experience with it, the child would easily develop the identifying criteria and evaluative attributes described in Chapter Four. These give him the capacity to derive meaningful judgments. For other products, however, the child's task would be much more difficult. Although we know of no systematic study or product complexity, we believe that there would be wide public agreement on which products are complex, and which are not. (The different types of benefits discussed above add another level of complexity.) These differences in complexity provide a further criterion which might be used to evaluate children's advertising. Certain product classes, by virtue of their relative simplicity, would seem better suited than others for advertising to children.

Non-Transactional Roles of Advertising

Thus far, we have confined our discussion to the transactional role of advertising to children. There are two possible non-transactional roles which should be considered. The first of these is the possible role of advertising in teaching children how to consume. The second is its possible effects on family relationships.

Learning to Consume

Industry suggested that learning how to consume could be a useful benefit of children's advertising. Banks, for example, felt that "the social justification of advertising to children arises from the process of consumer socialization -- experience as a purchaser -- both in its own right and as a training ground for other types of decision-making" (Banks W28). Banks further argued that "during the period of...greatest susceptibility to persuasion -- say, under the age of five -- he makes few purchases on his own" (Banks, W29). Initially, the parents are the purchasers. However, as the child grows, he attains greater discretion. This discretion gives him "the basis of making more selective choices and drawing inferences from the consequences of those choices" (Banks W29). The mediating role of parents was discussed by participants in the hearings. Prof. Lehmann's testimony suggested the importance of the family in determining the way two-to-five-year-olds react to advertising: "If the parent is explaining things to him, the child seems able to process it. If the parent does not, then the child has trouble separating advertising from shows and is more disappointed when whatever he buys does not have exactly the characteristics he thought it should have" (T1623).

Dr. John Condry was far from believing that advertising could usefully contribute to consumer socialization. He argued that a central problem of child-rearing is for the child to develop a sense of responsibility for his decisions. But the dishonest, exaggerated, and incomplete information often found in advertising makes responsible action difficult, if not impossible (T1310). In Dr. Condry's view, the dangers posed by television advertising are increased by changes in technology which have broken down the extended family, weakened family life, and led to mobility which destroys the sense of community and reduces schools to shambles (T1304). These societal changes have lessened the role of parents, and increased the role of peers and television in socialization. Dr. Condry was sufficiently concerned about this problem to recommend a moratorium on Saturday and Sunday children's television advertising until better information became available (T1317).

We feel sure that most persons would agree that there is a need for children to learn how to consume, for such "consumer socialization" may have peripheral benefits for other decision-making functions. However, it does not follow automatically that television is a necessary, or even desirable, part of this learning experience. It is conceivable that television advertising could frustrate, rather than aid, these goals. Consumer education per se would be a more effective (although, more expensive) alternative.

Effect on Family Relations

Dr. Condry was not alone in expressing concern over family structure. Dr. Galdston suggested that there is an increasing gap between the child's "world" and the parent's "world" (T1342-3). He viewed television as an opportunity to provide this missing continuity, but felt that it currently fails to accomplish this.[29] It was also alleged that, as a result of television advertising, the child becomes a surrogate salesman urging the parent to buy (Greene T1704). This pressure is felt by some to lead to destructive tension within the family, especially among lower-income people.

Mrs. Jeanette Neff, of "Sesame Street," asserted that advertising aimed at children from ages two to five was exploiting the child, as well as being unfair to the parent. "...we feel that the child is forming many values at this time, and the manner in which commercials are now handled is not the manner in which we would want to proceed with any sort of appeal to the child..." (T1699). Dr. Frederick Greene, associate chief of the Children's Bureau, HEW, and former

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[29] Similar views were advanced in the 1971 ABC Television Network's Children's Programming Workshop. See Urie Bronfenbrenner,"Text of Remarks before the Children's Programming Workshop," New York City: ABC Television Network, June 23, 1971.

Director of Pediatric Services, at the Municipal County Hospital in Harlem, raised similar issues. He emphasized the deleterious effects on lower-income families. He stated that

> As a pediatrician who has practiced for a number of years in the low-income area of New York, I can personally testify to the effects of TV-induced purchased on poor people. I have seen parents buying products they can ill afford. I have seen the hostility this creates in the parents, and the disappointment experienced by the children. We must remember that television for these children is likely to be their major if not only source of entertainment. They are likely to watch more and be more susceptible to the claims made by the ads, since they and their parents have few alternatives with which (to) counter the promises... In the case of children such advertisements (deceptive) are a deceit and disappointment. In the case of children of the poor it is an especially tragic misuse of the airways, the gap between the aspirations raised by such advertising, and its fulfillment, is that indeed. (T1705-6).

We have some research evidence which can be used to assess these allegations. Ward, for example, found that children's most-frequent requests were for food products. These requests decreased with the age of the children, but mothers' yieldings increased with the age of the children. Mothers' patterns of perceived influence of commercials closely paralleled the frequency of purchase influence attempts by children (T1561). However, it is in no way clear that mothers' perceptions were not caused by the purchase influence attempts of the children, rather than by the advertising itself. Ward also found that, where restrictions were placed on children's television watching, children were no less inclined to attempt to influence purchase (T1562). From this evidence, it could be argued that television watching does not cause a greater number of purchase influence attempts. Counter-intuitive as this may sound, it warns of the potential hazards of facile generalization.

Research on child-parent interaction in decision-making is quite limited. Berey and Pollay, for example, suggested the overriding importance for the parents as gatekeepers,[30] while another study was inconclusive.[31] None of the research has tried to determine whether or not various decision-making patterns have dysfunctional effects for family relations. Any subsequent research in this area would have to avoid the pitfalls caused by mothers' less-than-candid responses to questions about attempts to influence TV watching, and the means used to mediate child requests.[32] We share the concern expressed by a number of the speakers, and believe that research on this issue should be encouraged. Following Dr. Green's suggestions, we believe such studies should deal specifically with the case of the lower-income family.

Summary

The issue of advertising to children was one of the most important covered in the hearings. The weight of testimony and supporting data on this topic far outstripped any other. However, as our review in this chapter has indicated, there is a great deal of conflict in viewpoint, and little hard data which can be used in resolving it.

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[30] Lewis A. Berey and Richard W. Pollay, "The Influencing Role of the Child in Family Decision-Making," Journal of Marketing Research, Vol. 5 (Feb. 1968), p. 72.

[31] Barbara J. Deering and Jacob Jacoby, "The Effects of 'Alternative Relationships' and 'Relative Resources' on Consumer Decisions Between Mother and Child," paper presented at the Second Annual Convention, Association for Consumer Research, September, 1971.

[32] Lehmann, op. cit., p. 7.

The public opinion surveys, which have been advanced to demonstrate how parents feel about the issue, are one example of this conflict. One such study finds that "three out of four Americans approve the principle of commercial sponsorship for children's television programs."[33] Others have mixed results,[34] or suggest "an overwhelming resistance to commercials."[35] Parents are not consistent in their attitudes toward television advertising to children.[36] And we believe that the answers obtained by such surveys depend, to a major extent, on the way the questions are phrased.[37]

There is a great deal of evidence that the topic is one of major concern and controversy. ACT's petition to the FCC received over 100,000 letters, comments, and supporting briefs (Sarson T1475). Of sixteen free-world nations surveyed, the United States was one of only five which allowed advertising on children's programs; and it was the only country which allowed more advertising on children's programs than on adult programs.[38] Nor have the industry's self-regulatory efforts

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[33] "Roper Finds Three Out of Four Parents Approve Principle of Commercial Sponsorship for Children's Television Programs," Press Release, New York: Television Information Office of the National Association of Broadcasters, March 22, 1971.

[34] "Mothers' Attitudes Toward Children's Television Programs and Commercials," Daniel Yankelovich, Inc., March, 1970.

[35] "TV School Survey Shows Concern of Parents," Press Release, Los Angeles: Los Angeles Archdiocesan Council of Catholic Women, February, 1969.

[36] Lehmann, op. cit., p. 7

[37] For criticism of the Roper study, see Warren Braren, "Text of Remarks before the Children's Programming Workshop," New York, ABC Television Network, June 23, 1971, p. 6.

[38] David Fleiss and Lillian Ambrosino, An International Comparison of Children's Television Programming, Washington, D.C.: National Citizens' Committee for Broadcasting, July, 1971.

efforts escaped criticism, even by those closely associated with them. Mr. Stephen Bluestone, former editor of toy commercials for the Code Authority of the NAB, pointed out a number of areas where the Code Authority had been effective. These included the elimination of certain "heightened selling techniques, such as the use of sports heroes and superiority claims" (T1722), as well as such phrases as "Ask your mother to buy" and "Be the first in your neighborhood" (T1722). In other areas, Mr. Bluestone felt the Authority had been negligent in administering its own guidelines (T1723-24), and had not received the cooperation it needs. To Mr. Bluestone, the Code Authority is "broadcasting's poor stepchild...trapped between fiercely competitive toy manufacturers, social critics, and its own parent, NAB, ever hungry for the toy commercial dollars" (T1724). Mr. Warren Braren, who was responsible for the first set of NAB Toy Advertising Guidelines, offered even stronger criticism of children's television.[39]

Lack of understanding as to how television advertising affects the child has been a major impediment to better regulation of children's television. The descriptive research which has been conducted, including various types of content analyses and comparisons, is a valuable first step.[40] Ward's work indicates how more analytic and more actionable research can be conducted. A great deal remains to be known, especially with regard to such "second order" effects as ramifications for consumer socialization and family relationships.[41]

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[39] Braren, op. cit.

[40] See, for example, Fleiss and Ambrosino, op. cit., Ralph M. Jennings, "Program and Advertising Practices in Television Directed to Children," Study Prepared for Action for Children's Television, New York, April 29, 1970; and F. Earle Barcus, Saturday Children's Television, Prepared for Action for Children's Television, 1971.

Despite this lack of basic knowledge, there is no lack of recommendations about what to do with children's television. ACT has consistently claimed that advertising directed to children is misleading and unfair (Sarson T1477), and has advocated its elimination (T1493). Similarly, Mr. Robert Choate, chairman of the Council on Children, Media and Merchandising, felt that industry should be tightly restrained from coveting our children's purse" (T1538). Dr. Condry seemed to favor a moratorium on such advertising (T1317), until more knowledge was available. Thus, despite evidence that the broadcasting industry is attempting to improve its practices,[42] criticism continues unabated. We share many of the concerns of spokesmen in the hearings. In Chapter Nine, we shall present our recommendations. We strongly believe that research should be encouraged--wherever and whenever possible--by industry, government, and the public on the effects of television, and television advertising, on children. Only with better knowledge can a sound foundation for better industry and public policy be developed.

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[41] Some suggestions for future research on television and the young child are given in Harold W. Stevenson, "Television and the Behavior of Pre-school Children," unpublished paper, University of Minnesota, undated.

[42] See, for example, "Something's Happening About Children's TV," Broadcasting, Vol. 80, No. 19 (May 10, 1971), pp. 17-19, or George Gent, "TV Networks Move to Upgrade Much Criticized Children's Fare," New York Times (May 31, 1971).

The Poor and Disadvantaged

There are more aged and poor Americans today than there are children (Banks T696). However, their heterogeneity renders them difficult to pinpoint through media selection; and, since low per-capita income means comparatively low purchasing power, "they are not a primary marketing target to most manufacturers" (Banks W33). Nonetheless, many are concerned about the impact of advertising on this special audience.

Mr. William Sharp, director of the Communication Development Division of the Office of Economic Opportunity, defined the poor as "those persons whose basic needs are greater than their means to satisfy them" (Sharp T1738). An urban family of four, earning less than $3968 per year, would be defined as poor. According to these criteria, there are about 25½ million poor people in America. An additional 22 million persons are nearly poor. The disadvantaged are persons possessing "characteristics which interfere with their success and produce unfavorable conditions" (Sharp T1738). People may be educationally, socially, culturally, racially, physically, and psychlogically disadvantaged, as well as disadvantaged because of their sex or age.

Mr. Sharp felt that "electronic advertisement media have a special impact on...poor and disadvantaged people" (Sharp T1739). He was not alone in his sentiment. Mr. Choate suggested that the poor should be "free from coercion and free from inundation by those with more money" (Choate T1534). Dr. Condry felt that "the poor are less able to monitor their children's ideas and beliefs and to counteract those imposed by dishonest misleading advertisements" (Condry T1315). This, he believed, reflected the poor's greater vulnerability "to the massive demands for materialism which television makes of children" (Condry T1315).

How are the poor and the disadvantaged more susceptible to advertising? As with many other areas, our research is lacking. Nonetheless, we have good reason to believe, as Mr. Sharp alleges, that the poor and disadvantaged are more exposed to electronic advertising than are the more affluent (Sharp T1740). Greenberg and Davis,[43] for example, found that the urban poor spend more than twice as much of their time viewing television than does the population at large. Moreover, they like the medium more than the general population, and rate it as the medium they trust and believe in more than any other. A variety of other studies have found that the more educated spend less time watching television than the less educated.[44] These studies support Mr. Sharp's facts, and suggest that he is correct in his assertion that the poor and disadvantaged "use television as the predominant source of news, and the predominant source of information and entertainment" (Sharp T1740). However, both Banks (W33) and Sharp (T1740) point out that the poor and disadvantaged are not primary market targets for advertisers. Despite their greater exposure to electronic media, there is little information in programming or advertising which is relevant to their making wiser consumption choices. Nor do more specialized media, such as Consumer Reports, perform an adequate job for the poor and the disadvantaged. As Colston Warne, president of Consumers Union (publishers of Consumer Reports) pointed out: "We do not reach the poverty groups, we do not reach low-income groups" (Warne T954).

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[43] Bradley S. Greenberg and Brenda Davis, Mass Communication Among the Urban Poor, C.U.P. Research Report No. 5, Michigan State University, 1969.

[44] See, for example, Mary Steiner, The People Look at Television, Alfred A. Knopf: New York, 1962; John P. Robinson, "Television and Leisure Time: Yesterday, Today and (Maybe) Tomorrow," Public Opinion Quarterly, Vol. 33, No. 2 (Summer, 1969), pp. 197-209; and William Hazard, "Some Personal and Social Influences on Television Viewing," Public Opinion Quarterly, Vol. 26, No. 3 (Fall, 1962), pp. 429-434.

We conclude that the poor and the disadvantaged have special informational needs which are not currently well met. The advertising community has attempted to meet these needs via the Advertising Council, and its various programs (Banks W33). Industrial companies have attempted "to cope with the problems of the aged and the poor through development of special products or educational efforts" (Banks T696). A cereal manufacturer, for example, has been attempting to reach low-income people with nutritional education messages (Banks W34).

While we laud such efforts, they are insufficient. Sharp suggested special informational services for both print and electronic media, and further educational effort by industry (Sharp T1743-1745). We view the problem of the poor and the disadvantaged as a special case of a more general "information gap." In Chapter Nine, we shall present our suggestions for closing this gap, paying special attention to the needs of the poor and the disadvantaged.

Ethnic Minorities

Mr. Reyes, executive director of the National Mexican American Anti-Defamation Committee, expressed his opposition to the perpetration of ethnic stereotypes by television advertising (Reyes T1822-1842). He argued that

> Americans of Mexican and Spanish ancestry are perennially portrayed in demeaning, ridiculing roles and have had a degrading stereotype created...as a stupid, dirty, shiftless, servile bandido type ethnic group (Reyes T1823).

Mr. Reyes supported his assertions with a variety of current advertisements. He, also, discussed more praiseworthy efforts (T1829-37).

It does not impugn the legitimacy of Mr. Reyes' argument to point out that other ethnic minorities, besides Mexican Americans, suffer from stereotyping and similar practices. Dr. Barcus' content analysis of children's advertising, for example, found only one commercial with a "black-only character...Willie Mays in a cereal commercial" (Barcus T1372). Two ads had Indians only, while almost two-thirds had white-only characters. Recent years have witnessed considerable gains in the proportion of advertisements using minority models, often in integrated settings. This change, which appears to have occurred without legal formality or rigid quotas, is welcome. However, it does not solve the problem of unrepresentative stereotyping. While the Commissioners felt this issue did not lie within their present regulatory mandate (Kirkpatrick T1383, Jones T1841), they were concerned and sympathetic about the problem. We share those attitudes and, with Commissioner Jones (T1842), commend this problem to the attention of the National Advertising Review Board. The problem of stereotyping is one which self-regulation should and can solve. The majority of the advertising industry deplores such stereotyping practices, whether they occur intentionally or otherwise, and wishes to see them prevented.

Women

Ms. Whitney Adams, of the National Organization of Women, presented definite views on women and television advertising (T1843-1858). She felt that women, because of anxieties and fears resulting from training and education, were among those groups especially vulnerable to advertising. These anxieties and fears have led women to believe that

> the ultimate achievements and fulfillments of their lives are the attraction of males, success in getting a husband, satisfying completely all his needs, and placing the welfare of family and home above all, including themselves. (Adams T1844).

The major thrust of Ms. Adams' testimony was directed towards the appeals we characterized as implied benefits, which deal with self-concept. The major benefits implied are pleasing men, catching and keeping men, maintaining or achieving social acceptability, and self and family well-being (T1845-1850). We have stated our belief that such claims, implied or direct, should not be permitted to be made without substantiation (Chapter Five). If such motives do exist, however, we do not feel that advertisers should be condemned for attempting to use them in their advertisements. In fact, we believe that the changes we discussed would deal adequately with most of the issues discussed by Ms. Adams. To the extent that other practices are found distasteful (for example, stereotyping of women in the housewife role), self-regulatory institutions--such as the NARB--would seem to offer reasonable recourse (Jones T1857).

Summary

In this chapter, we discussed some of the problems associated with various special audiences. We pointed out that the limited perceptual and cognitive capacities of very young children suggest more rigorous control of television advertising to this group, and we developed some possible directions. In other areas, the lack of evidence from either basic or applied research makes us reluctant to prescribe. Other special groups were discussed in the light of stereotyping and self-concept advertising. The former problem seemed to us best dealt with by self-regulatory bodies, such as the NARB. Self-concept advertising is a broader issue, discussed at length in Chapters Four and Five.

CHAPTER SEVEN

REGULATION AND CONTROL OF ADVERTISING: THE EXISTING FRAMEWORK

This chapter examines the existing framework for the regulation and control of advertising. Examining this framework is an essential prerequisite to the development of new recommendations. We shall present such recommendations in Chapters Eight and Nine. The first part of this chapter pertains to legal aspects of regulation, focusing primarily on the Federal Trade Commission. The second part of this chapter deals with the various self-regulatory devices developed by the industry.

The FTC Regulation of Advertising - An Overview *

The first part of this chapter discusses: (1) the scope of the FTC's power to regulate advertising; (2) the general principles applied by the FTC in determining whether or not a particular advertisement is deceptive; (3) where deceptive advertising is found, the remedies available to the FTC; (4) the procedural course of an FTC litigation.

A more detailed study of governmental regulation of deceptive advertising, including a discussion of other federal regulatory agencies and state and private law enforcement can be found in Developments in the Law: Deceptive Advertising, 80 Harvard Law Review, 1005-1163 (1967), Symposium: FTC Regulation of Advertising, 17 Kansas Law Review, 551-650 (1969), and in Earl W. Kintner, A Primer on the Law of Deceptive Practices: A Guide for the Businessman (MacMillan Co., New York, 1971).

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* This section of the chapter was prepared by members of the staff of the FTC's Bureau of Consumer Protection. Although every effort has been made to accurately reflect the existing law, the chapter is not an official statement of the position by the Federal Trade Commission, and does not necessarily reflect the views of individual Commissioners.

I. The Scope of the FTC's Authority to Regulate Advertising

A. Statutory Sources of the Commission's Authority

As originally passed in 1914, the Federal Trade Commission Act, the Commission's enabling legislation, did not explicitly empower the FTC to proceed against false or deceptive advertisements. Congress in 1914 was primarily concerned with preserving competition in the face of growing industrial consolidation in the United States and accordingly the statute was designed to prevent "unfair methods of competition". During the 1920's, the courts interpreted the Act to protect competitors rather than consumers who were injured by misrepresentations in advertising. FTC v. Raladam Co., 283 U.S. 643 (1931). In 1938, Congress remedied this limitation by adding a proscription against "unfair or deceptive acts or practices" to Section 5 of the FTC Act. Known as the "Wheeler-Lea Amendments", the 1938 legislation thus placed federal protection of consumers on an equal footing with protection of competition, FTC v. Sperry & Hutchinson Co., 405 U.S. 233 (1972). Section 5 is a broad prohibitory provision and is not limited to any particular kind of advertising or any particular industry.* The Wheeler-Lea Amendments also added Section 12, an explicit prohibition of "false advertisements" for the "purpose of inducing or likely to induce purchase of food, drugs, devices or cosmetics". Sections 5 and 12 are thus the wellsprings of the FTC's authority to regulate advertising.* Each FTC advertising case revolves around the central issue: is the advertisement unfair or deceptive within the meaning of Section 5 of the FTC Act, or "false" within the meaning of Section 12 of the Act.**

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* But see pages 7 - 10 relating to the limits of the FTC's jurisdiction.

B. Possible Respondents in a Deceptive Advertising Case

The FTC Act explicitly makes "persons", "partnerships" and "corporations" liable for deceptive advertising. Of course, an advertiser will be held accountable for his knowing use of false or misleading advertisements,*** but the FTC's power to prohibit false or misleading advertisements is not predicated on a finding of knowledge or intent on the part of the advertiser. Congress charged the FTC with protecting consumers from deceptive advertisements and the injury to consumers is the same, whether or not the advertiser knew his advertisement was false or misleading. Thus, the FTC subjects businessmen to a form of strict liability and the absence of an intent to deceive or lack of knowledge of falsity by the advertiser is irrelevant to the issue of liability in an FTC proceeding.

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* The FTC also enforces other Congressional statutes: The Wool Products Labeling Act. The Fur Products Labeling Act; The Fair Packaging and Labeling Act (for certain products); The Textile Fiber Products Identification Act; and the Fair Credit Reporting Act.

** Sections 5 and 12 are, of course, overlapping. A false advertisement for food, drugs, devices or cosmetics also constitutes an unfair or deceptive act or practice in violation of the broader sweep of Section 5.

*** There are no criminal sanctions for knowing and intended violation of Section 5 of the Act. However, in the area of false advertisements for food, drugs, devices of cosmetics, Congress has provided for criminal penalties in certain cases in Section 14 of the FTC Act:

(*** Continued)

A company may also be held accountable for the misrepresentations of its sales personnel -- even if they acted wholly on their own in making the deceptive claim. Perma-Maid Co. v. FTC, 121 F.2d 282 (6th Cir. 1941). Even if a salesman's conduct is condemmed by the company, his misrepresentation of the company's product constitutes

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*** (Continued)

> Any person, partnership, or corporation who violates any provision of Section 12(a) shall, if the use of the commodity advertised may be injurious to health because of results from such use under the conditions prescribed in the advertisement thereof, or under such conditions as are customary or usual, or if such violation is with intent to defraud or mislead, be guilty of a misdemeanor.

The maximum penalty for a first offense is $5,000 fine or 6 months imprisonment, or both. Each additional conviction carries a maximum penalty of $10,000 fine or imprisonment for one year.

Criminal prosecution under Section 14 are not brought by the FTC but may be recommended by the FTC to the Justice Department.

a violation of the Act by the employer as well as by the salesman himself. Parke, Austin & Lipscomb, Inc. v. FTC, 142 F.2d 437 (2d Cir. 1944). Nor does a company's liability necessarily depend on the existence of an employer-employee relationship. An "independent contractor's" representation of the product can trigger liability for the selling corporation. Goodman v. FTC, 244 F.2d 584 (9th Cir. 1957); Libbey-Owens-Ford Glass Co. v. FTC, 352 F.2d 415 (6th Cir. 1965). The Goodman rationale also may be used in future cases to hold franchisers liable for the misrepresentations of their franchisees.

In the same vein, a manufacturer who furnishes retailers with the means of deceiving the public may also be ordered to cease and to desist along with the retail merchant. For instance, in Clinton Watch Co. v. FTC, 291 F.2d 838 (7th Cir. 1961) and Baltimore Luggage Co. v. FTC, 296 F.2d 608 (4th Cir. 1961), manufacturers who preticketed their product at an excessive, fictitious price were prohibited from continuing such practices. Similarly, importers of sunglasses who sold them to retail customers were held to be responsible for false labeling affixed by a foreign manufactuer. Riviera Trading Corp., 63 FTC 114 (1963).

An advertising agency which has provided advertising copy for the advertiser may also be joined in an FTC action against the principal respondent. Although it has been suggested that an advertising agency may have a duty of "reasonable inquiry" when it receives advertising copy, no case has yet held an agency strictly liable for its simple participation in running an advertisement. An advertising agency will be held liable where it helped create the advertisement rather than merely placing it for distribution or where it knew, or should have known, of the falsity of the advertisement. Merck & Co. v. FTC, 392 F.2d 921 (6th Cir. 1968). Colgate-Palmolive Co., 62 FTC 1269 (1963). The Commission has not as yet held an advertising agency to the same strict standard of liability (without knowledge) that it applies to advertisers. As a general rule, an advertising agency will not be the sole respondent in an FTC case, unless it can definitely be established that the agency alone was the moving force behind the false claim.

In other areas of the law, a corporate officer is usually shielded from individual liability for the acts of the corporation, but under the FTC Act, where a corporate officer "formulated, directed, and controlled the acts and practices of the corporate respondents", he too has been held accountable. FTC v. Standard

Education Society, 302 U.S. 112, 119 (1937); Steelco Stainless Steel Co. v. FTC, 187 F.2d 693, 697 (7th Cir. 1951). Such accountability has been viewed as a means of helping prevent resumption of the unlawful practices. Goodman v. FTC, 244 F.2d, 584, 594 (9th Cir. 1957).

C. The Limits of the FTC's Jurisdiction

Throughout this part the FTC's authority to prevent advertising abuses will be emphasized. But not every unfair or deceptive act or practice or every false advertisement for a food, drug, device or cosmetic is subject to FTC regulation. The FTC's power to proceed in certain cases is limited.

The language of Sections 5 and 12 limits Commission action to cases only where the illegal activities are "in commerce". "Commerce" means essentially "interstate commerce" and is defined by the Act to mean "commerce among the states or with foreign nations, or in any territory of the United States or in the District of Columbia...". This "in commerce" language has been held to extend to the FTC less scope than the "affecting commerce" language found in other Congressional legislation. FTC v. Bunte Bros., 312 U.S. 349 (1941). The jurisdictional interstate commerce requirement is met in Section 12 cases by proof either that the challenged advertisement for food, drugs, devices or cosmetics was disseminated across state lines by any means or carried by United States mail, or that the products themselves have been sent across state lines. With respect to cases coming exclusively under Section 5, the FTC can proceed against advertisements when the product advertised has been sold across state lines. See, e.g., Progress Tailoring Co. V. FTC, 153 F.2d 103 (7th Cir. 1946). Although the courts have not ruled on whether the Commission could exercise jurisdiction under Section 5 when no interstate sales were made, but only the advertisement itself had been disseminated in commerce, the FTC has consistently asserted its jurisdiction to act in such a case. S. Klein Dept Stores, Inc., 57 FTC 1543 (1960); Surry Sleep Products, 73 FTC 523 (1968). Since interstate advertisements usually generate interstate sales, the potential jurisdictional differences between Section 5 cases and Section 12 cases are not usually significant.

A second jurisdictional limitation found in the enabling statute is the requirement that the FTC's action be "in the public interest". The Commission's decision that the public interest will be served by proceeding in a case is a product of its expertise in consumer protection and generally, except in extreme cases, reviewing courts will defer to the Commission's judgment on the issue. Montgomery Ward & Co. v. FTC, 379 F.2d 666 (7th Cir. 1967). Colgate-Palmolive Co. v.

FTC, 310 F.2d 89 (1st Cir. 1962). No recent Commission case has been overturned by the courts for lack of an identifiable "public interest".

Nearly all businesses sending goods and advertisements across state lines are subject to the FTC's regulatory power. There are, however, some notable exceptions carved out by Congress.* Section 5(a)(6) of the FTC Act expressly exempts banks (regulated by the Federal Reserve Board and state banking authorities), common carriers (regulated by the ICC), airlines (regulated by the Federal Aviation Act of 1958), and meat packers and poultry dealers (to the extent that they are regulated by the Packers and Stockyards Act). In addition, to the extent regulated by the states, the insurance industry is exempt from the FTC Act. Section 14(b) of the FTC Act exempts publishers, and radio and television broadcasters, and advertising agencies from the criminal penalties of the FTC Act, provided that they divulge the name of the advertiser. But they are not otherwise exempt from the FTC's general jurisdiction. Section 15(a)(1) of the Act exempts "labeling" from the definition of false advertisements for food, drugs, devices and cosmetics under Section 12. But while labeling and misbranding of food and drug and devices are "primarily" the province of the Food and Drug Administration,* unfair or deceptive labeling may still constitute a separate violation of Section 5 of the FTC Act and the FTC can take action. Fresh Grown Preserve Corp. v. FTC, 125 F.2d 917 (2d Cir. 1944). Also, as a result of legislation in 1962, only the FDA regulates the advertising of prescription drugs, while the FTC retains control of advertisements for over-the-counter drugs such as aspirin and many cold remedies.

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* On the other hand, the fact that an advertisement has been approved by the Post Office Department, meets state requirements, or complies with an industry self-regulatory standard is not a defense to an FTC action.

II. Standards Used in Evaluating the Deceptiveness of Advertising

A. The Commission's Expertise

There is no hard and fast rule for determining what is an "unfair or deceptive act or practice" or what is a "false advertisement". Congress intentionally left the application and interpretation of these terms to the Commission, subject to review by the courts, to enable it to cope with new advertising and merchandising practices as they arose or were brought to light. The

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* FTC-FDA Liaison Agreement -- Advertising of Over-the-Counter Drugs, 36 Fed. Reg. 18539 (Sept. 16, 1971).

Commission, through its experience in dealing with advertising abuses, has become invested with an expertise in judging what representations (implicit as well as explicit) are made in an advertisement and the extent to which those representations are deceptive. The Commission's expertise in these matters is given deference by the courts. FTC v. Colgate-Palmolive Co., 380 U.S. 374 (1965).

The Commission and the courts have long held that an advertisement is deceptive if it has the "tendency" or "capacity" to deceive the public. Charles of the Ritz Distrib. Corp. v. FTC, 143 F.2d 676 (2d Cir. 1944). Proof of actual deception is not required in a Commission case. Using its expertise, the Commission may examine an advertisement and determine its potential effect on the minds of consumers without resorting to a sampling of public opinion or even hearing evidence by complaining consumers. Montgomery Ward & Co. v. FTC, 379 F.2d 666 (7th Cir. 1967). And the Commission may find an advertisement is violative of the FTC Act even in the face of testimony by consumers that they personally would not be misled. Double Eagle Lubricants, Inc. v. FTC, 360 F.2d 268 (10 Cir. 1965), cert. denied, 384 U.S. 434 (1966).

B. Assessing the Representations Made in a Challenged Advertisement

1. The Audience Protected

Before the Commission can determine that a challenged advertisement has the tendency or capacity to deceive the public, it must find the meaning the public will take from the language and implications of the advertisement. The actual meanings intended to be conveyed by the advertiser are not controlling in this determination; rather the Commission looks to the impact the advertisement will have on the general public, and the reasonable meanings the public may derive from the advertisement are considered. It should be emphasized that this is not tantamount to a reasonable man standard or the reading a "reasonable man" would give the language of the advertisement. The general public does not carefully attend the language of an advertisement, but instead derives from it a general impression. As one court said:

> The law is not made for experts but to protect the public -- the vast multitude of which includes the ignorant, the unthinking and the credulous, who in making purchases, do not stop to analyze but too often are governed by appearances and general impression.
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> Aronberg v. FTC, 132 F.2d 165, 167 (7th Cir. 1942).

Consequently, the Commission looks to the less sophisticated members of the public in judging the deceptive capacity of an advertisement because "the fact that a false statement may be obvioulsy false to those who are trained and experienced does not change its character nor take away the power to deceive others less experienced". Charles of the Ritz Distrib. Corp., supra.

Moreover, where an advertisement is directed toward a particularly vulnerable segment of the population, such as children, the Commission will consider the target group's reactions. See Ideal Toy, FTC Dkt. C-1225 (1964) (appeal to children); Doris Savitch, 50 FTC 828 (1954), aff'd, per curiam, 218 F.2d 817 (2d Cir. 1955) (special appeal to women who fear they are pregnant); S.S.S. Co. v. FTC, 416 F.2d 226 (6thCir. 1969) (advertisements aimed at the urban and rural poor). On the other hand, an argument that the target group of the advertisement is more intelligent than the average consumer and, therefore, less likely to be deceived was rejected in Book of the Month Club v. FTC, 202 F.2d 486 (2d Cir. 1953).

2. Interpreting the Advertisement's Language

In many cases the representations made in the advertisement are clear and the only question before the Commission is whether these representations are misleading. Where there is some doubt as to the meaning of a certain word or an advertisement is subject to two interpretations, several well-defined procedures are used to evaluate the deceptiveness of the advertisements.

Where the meaning of an advertisement is ambiguous, subject to a secondary meaning, or vague, the Commission has interpreted against the advertiser the claims he made.

> In deciding whether an advertisement has the capacity to deceive, the issue is not whether the only meaning which it conveys or the implication that "jumps out from it" is the false one .... It is whether the advertisement may reasonably be understood to have that meaning by consumers even though it may also be susceptible of a different interpretation. "Advertisements which are capable of two meanings, one of which is false, are misleading."
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> Rhodes Pharmacal Co., Inc. v. FTC, 208 F.2d 382 (7th Cir. 1953), rev'd on other grounds, 348 U.S. 940 (1955).

Merck & Co., 69 FTC 526, 552, n.2 (1966), aff'd, 392 F.2d 921 (1968). See also, United States v. Ninety-five Barrels of Vinegar, 265 U.S. 438, 443, (1924); Country Tweeds, Inc. v. FTC, 326 F.2d 144, 148 (2nd Cir. 1964); Murray Space Shoe Corp. v. FTC, 304 F.2d 270, 272 (2nd Cir. 1962).

Where an explicit claim is qualified elsewhere in an advertisement, the Commission examines the impact of the advertisement as a whole. The qualification must be in layman's language and convey the impression of truly qualifying (as opposed to contradicting) the claim made elsewhere. In addition the qualification must be conspicuous: a fine print qualification (or one quickly passed over on the T.V.) will not be deemed to adequately qualify a claim more prominantly made. E.g., Giant Food v. FTC, 322 F.2d 977 (D.C. Cir.), cert. denied, 372 U.S. 910 (1963) (affirming Commission's conclusion that lengthly disclosure at the bottom of a page of advertising was inadequate to cure the deception created by the rest of the advertisement). See also J.B. Williams Co., 68 FTC 481 (1965); American Life & Acc. Ins. Co. v. FTC, 255 F.2d 289 (8th Cir.) cert. denied, 358 U.S. 875 (1958).

Finally, where "puffing" is offered as a defense in an FTC action, the Commission determines whether the exaggerated claims are material and are likely to mislead the consumer. The traditional common-law distinction between misrepresentation of fact and of opinion -- the latter not being considered actionable -- has to a large extent been rejected by decisions under the FTC Act. An advertiser may no longer offer his unsubstantiated opinion concerning the quality or merits of his product if he does so in such a way that the consumer is induced to rely on his opinion. Feil v. FTC, 285 F.2d 879,(9th Cir. 1960). While the courts still make occasional reference to the fact-opinion distinction (see, e.g., Koch v. FTC, 206 F.2d 311, 316-17 (6th Cir. 1953)), they recognize no privilege for statements of opinion in advertising, and invariably regard as a deceptive and unlawful representation any opinion stated in such a manner as to mislead the consumer. Thus, the traditionally broad scope of permissible "puffing" has been narrowed to include only expressions that the consumer clearly understands to be pure sales rhetoric on which he should not rely in deciding whether to purchase the seller's product. For example, in Heinz W. Kirchner, 63 FTC 1282 (1963), the Commission ruled that a claim describing a certain swimming aid as "invisible" would not be understood literally but only as a claim that the aid was inconspicuous when worn. Thus, the claim of "invisibility" was found to be merel puffery. False claims for the product such as "easy to use" or "lasts all day" or other terms comparing the virtues of one product over another are statements which induce sales and are thus not defensible as mere puffery. See, e.g., Goodman v. FTC, 244 F.2d 584 (9th Cir. 1957); Gulf Oil Corp. v. FTC, 150 F.2d 106 (5th Cir. 1945).

In the area of health remedies or dangerous products, the Commission employs an especially strict standard of judging exaggeration or puffing. In this domain, the Commission not only may but must "insist on the most literal truthfulness", Moretrench Corp. v. FTC, 127 F.2d 792, 795 (2d Cir. 1945). There are two reasons for this special treatment: first, exaggeration of a product's safety of use or remedial qualities may cause injury to the consumer's person as well as to his pocketbook. Second, the consumers to a large extent expect such advertising more than other advertising to be completely truthful and consequently their guard is down. Thus, the same degree of hyperbole which might be considered permissible puffery in other product promotions has been held deceptive in promotions of treatments for disease or for potentially harmful or dangerous products.

> Literalness and exactitude -- and perhaps understatement -- must be the earmarks of promotions connected with health remedies. Advertisers must be scrupulously careful not only as respects the literal truthfulness of the message but as respects all of the implications, inuendos and suggestions which are conveyed in the advertising message.
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> Rodale Press, 71 FTC 1184, 1241 (1967), vacated on other grounds and remanded, 407 F.2d 1252 (D.C. Cir. 1968).

One other type of exageration, posing difficulties for both advertisers and consumers, is currently before the Commission: the problem of "spurious uniqueness" claims. In several cases the Commission has issued complaints against advertisers alleging that the advertiser claimed special and unique attributes for its products when in fact, those products were substantially identical to rival brands. ITT-Continental Baking Co. ("Wonder Bread"), FTC Dkt. 8860; Amstar Corp. ("Domino" sugar), FTC Dkt. 8887; Coca-Cola Co. ("Hi-C"), FTC Dkt. 8839. The final disposition of these cases by the Commission and perhaps by the courts will further illuminate the degree of hyperbole permitted in this area. But it must be emphasized that the current set of complaints do not seek to prevent one advertiser from touting the good qualities of his product or from presenting facts in a favorable light. Nor must an advertiser always disclose that identical products are also on the market. It is only false claims of superiority which the complaints seek to proscribe. What each of the complaints charge is that directly of by implication the advertisers falsely claimed their product was better or more desirable than their competitor's.

In sum, the rubrics used by the FTC in interpreting advertising are but common-sense standards for protecting the general public. The scope of the Commission's discretion in this task is necessarily broad. The guide employed by the Commission in judging advertisements was dramatically summarized in 1940 by Judge Agustus Hand. The Commission, he asserted, "could insist upon a form of advertising clear enough so that in the words of Isaiah, "wayfaring man, though fools, shall not err therein." General Motors Corp. v. FTC, 114 F.2d 33 (2d Cir., 1940).

C. Implied Representations

As previously noted, an advertisement may be deceptive because it gives the public a misleading impression. The effect of an advertisement on the public may be greater than the sum of its explicit parts. Aronberg v. FTC, 132 F.2d 165 (7th Cir. 1942). Recognizing this fact, the Commission has often looked to implied as well as explicit representations in interpreting advertising challenged as deceptive. See J. B. Williams Co. v. FTC, 381 F.2d 884 (6th Cir. 1967); Sterling Drug, Inc. v. FTC, 317 F.2d 669 (2d Cir. 1963); Niresk, Inc. v. FTC, 278 F.2d 337 (7th Cir. 1960), cert. denied, 364 U.S. 883 (1960); Reddi-Spred Corp. v. FTC, 229 F.2d 557 (3d Cir. 1956).

Such a standard is not surprising. If an advertiser can deceive the public through the implications of his advertising while avoiding a cease and desist order because the explicit statements are literally true, the Commission's regulatory powers would be severely hampered. Thus, the literal truthfulness of the advertisement is not a defense in a Commission proceeding when the implication of the advertisement in the mind of the consumer is deceptive. Bockenstette v. FTC, 134 F.2d 369 (10th Cir. 1943) (advertisements were deceptive because they contained false and misleading implications even though the words of the challenged advertisements were technically true). An advertisement can mislead by silence as well as by false statement and a half truth can be as deceptive as an outright lie. P. Lorillard Co. v. FTC, 186 F.2d 52 (4th Cir. 1950). A failure to disclose a material fact in situations where nondisclosure tends to deceive a substantial segment of the public is equivalent to deception accomplished through misleading statements or suggestions. Keele Hair & Scalp Specialists, Inc. v. FTC, 275 F.2d 18 (5th Cir. 1960). Also see Alberty v. FTC, 182 F.2d 36 (D.C. Cir.), cert. denied, 340 U.S. 818 (1950).

The application of these general principles, particularly as to what facts should be disclosed, causes no small concern to advertisers who wish to predict the implied representations the public will take from the advertisement. Because the general rules are easy to state in abstract but difficult to apply to individual cases, it may be useful to give some concrete examples of prior cases where the Commission found a misleading impression in an advertisement.

In the Old Gold case, (P. Lorillard Co. v. FTC, 186 F.2d 52 (4th Cir. 1950)), the Respondent had advertised that a Reader's Digest survey had found its cigarettes to be lowest in tar and nicotine content. This was a true statement of the findings of the survey, but without additional disclosure the statement had misleading implications. The advertisement implied that respondent's cigarettes were less harmful than competing brands having higher tar and nicotine contents. But the survey had concluded that no cigarettes, including respondent's, had a sufficiently low tar and nicotine content to be significantly less harmful than other cigarettes. Respondent failed to disclose this qualifying fact, and thereby failed to correct the false impression created by its literally true representation. This was found to be a deceptive half-truth and clearly unlawful.

Even if no affirmative representation is made, nondisclosure may constitute actionable deception, such as where consumers have developed a set of normal expectations not lived up to by the product. The Commission, for example, has brought a number of proceedings against sellers who fail to disclose the country of origin of their products. Where the consumer of a particular product both prefers the domestic product and believes, in the absence of an affirmative statement to the contrary, that the product is domestic, the seller of the foreign substitute who fails to disclose its foreign origin has been found to have deceived the consumer. E.g., Waltham Watch Co. v. FTC, 318 F.2d 28 (7th Cir. 1963).

In addition to the foreign-origin cases, sellers have been required to disclose, for example, that their oil is not new (e.g., Mohawk Refining Corp. v. FTC, 263 F.2d 818 (3d Cir. 1959)), that their books are abridged (e.g., Bantam Books, Inc. v. FTC, 275 F.2d 680 (2d Cir. 1960)), that their watch bezels are not gold (e.g., Theodore Kagen Corp v. FTC, 283 F.2d 371 (D.C. Cir. 1960)); or that their fabrics are rayon (e.g., Mary Muffet, Inc. v. FTC, 194 F.2d 504 (2d Cir. 1952)). Moreover, a product advertised as a cure for hair loss was found misleading where the claim was not explicitly limited to baldness caused by disease and the public would believe from the advertisement that the product was also effective in curing heriditary baldness. Keele Hair &

Scalp Specialists, Inc., 55 FTC 1840 (1959), aff'd, 275 F.2d 18 (5th Cir. 1960).

Another line of nondisclosure cases under Section 5 involves dangerous commodities. A seller who advertises a silver polish which produces dangerous fumes even under conditions of normal use must warn the public of the danger, even if he makes no explicit claim that the polish is safe for ordinary use. This is so because the consumer normally expects that such a product can be used safely in the absence of any warning to the contrary. He is thus likely to be deceived if the product is dangerous and the warning is omitted. Similarly, under Section 12, food, drugs, devices and cosmetic cases, where an item is determined to be a health or a safety hazard, such danger must be disclosed, e.g., McK. Edwards, 34 FTC 619 (1942); Aronberg v. FTC, 132 F.2d 165 (7th Cir. 1942).

Another deception stems from the undisclosed use of a mock-up or other camera tricks on televised advertisements. Product demonstrations must be truthful and accurate in their pictorial display. If the product demonstration is a mock-up, that fact must be disclosed (for instance, by the conspicuous use of the word "simulation") -- even if the claim made for the product's performance is truthful. Colgate-Palmolive Co. v. FTC, 380 U.S. 374 (1965).

In sum, the law does not require a manufacturer to debunk his product, but it does attempt to protect the public from false implications created by the producers' failure to disclose information material to their choice of the product. The principle crystallized in these decisions is that Sections 5 and 12 forbid sellers to exploit the normal expectations of consumers in order to deceive and forbid sellers to create false expectations by affirmative acts. The nature, appearance, or intended use of a product may create an impression in the mind of the consumer -- for example, that it is made in the U.S.A., or that it is silk, or that it is safe -- and if the impression is false, and if the seller does not take adequate steps to correct it, he is responsible for an unlawful deception.

These few examples, of course, do not fully encompass the range of Commission cases finding an implied deception in an advertisement.

C. FTC Statements Useful in Avoiding Deceptiveness in Advertising

The cases cited in this part have usually been adjudicated cases, decided by the FTC and reviewed by the courts. These decisions usually contain a description of the facts of the case, a rendering of the applicable law, and a statement of the reasons for the Commission's decision. The FTC's decided cases have some precedential value and are frequently cited in later FTC rulings.

However, the adjudicated cases are not the only repository for FTC announcements of what it will consider to be deceptive advertising. The following is a list of other FTC sources:

1. "Trade Regulation Rules" (TRR's). The FTC's rule making authority is currently at question in the courts. National Petrol. Refiners Assn. v. FTC, 340 F. Supp. 1343 (1972), (appeal pending). Until a ruling by the Court of Appeals, the promulgation of TRR's has been suspended. Past TRR's, such as the proposed Cigarette Labeling Rule (June 22, 1964) marked formal FTC determinations of what practices were to be deemed unfair or deceptive. In rulemaking the FTC does not determine whether particular persons are in violation of the FTC Act but publishes a statement of what type of conduct will be deemed violative of the Act.

2. "Industry Guides". Guides are administrative interpretation of the FTC Act for use in evaluating certain practices and are promulgated by the FTC, often with industry cooperation, for "the guidance of the public in conducting its affairs in conformity with legal requirements." Commission Rules of Practice, Section 1.5. In the past, certain of these Guides have been promulgated and referred to as "Trade Practice Rules." Guides have been drafted for certain industries such as the Guides on Tire Advertising and guides have also been directed towards general advertising practices such as the Guides Against Deceptive Advertising of Guarantees. Some Guides have determined the meaning of certain industry-wide terms as "gold filled" or "water-resistant". Although it has been held

that the Guides do not have the force or effect of substantive law, they are useful in interpreting certain words and the circumstances under which words will be deceptive or not. The FTC has held that failure to comply with the Guides may result in corrective action by the Commission under applicable statutory provisions. Commission Rules of Practice, Section 1.5.

3. FTC "Advisory Opinions". Advisory opinions are given in response to individual inquiries concerning a proposed practice. Some advisory opinions concern the deceptiveness of certain practices or wording such as the word "chamois". Any advice given is without prejudice to the right of the Commission to reconsider the question involved and rescind or revoke the advice, after due notice to the requesting party. Not all advisory opinions are made available to the public because of the restrictions on the confidential nature of some of the contents. The Commission has said that it will not give advice:

> "(1) where the course of action is already being followed by the requesting party; (2) where the same or substantially the same course of action is under investigation or is the subject of a current proceeding by the Commission against the requesting party; (3) where the same or substantially the same course of action is under investigation or is or has been the subject of a proceeding, order or decree initiated or obtained by another government agency against the requesting party; or (4) where the proposed course of action is such that an informed decision thereon could be made only after extensive investigation, clinical study, testing or collateral inquiry." Commission Rules of Practice, Section 1.1.

A more informal form of advice may be sought from the FTC staff members. Such advice, however, is not binding on the

Commission in regard to action by the Commission on the same subject in the future.

D. Unfair Acts or Practices in Advertising

As previously stated, Section 5 prohibits "unfair or deceptive acts or practices". Traditionally, the Commission has concentrated on "deceptive" advertising, even though the act itself and judicial interpretation clearly authorized "unfairness" alone as an alternative test for the legality of advertising (FTC v. Sperry & Hutchinson Co., 405 U.S. 233 (1972)). The "unfair" portion of Section 5 has been used in regulating marketing practices such as lotteries, FTC v. R. F. Keppel & Bro., 291 U.S. 304 (1934). Recently use of an unfairness doctrine as a tool in regulating advertising has been on the upswing. For example, the Commission has held that "the making of an affirmative product claim in advertising is unfair to consumers unless there is a reasonable basis for making that claim," Pfizer, Inc., Docket No. 8819 (July 11, 1972), slip opinion at 12. The Commission also delineated what might constitute a reasonable basis:

> "The question of what constitutes a reasonable basis is essentially a factual issue which will be affected by the interplay of overlapping considerations such as (1) the type and specificity of the claim made -- e.g., safety, efficacy, dietary, health, medical; (2) the type of product -- e.g., food, drug, potential hazardous consumer product, other consumer product; (3) the possible consequences of a claim -- e.g., personal injury, property damage; (4) the degree of reliance by consumers on the claims; (5) the type, accessibility, of evidence adequate to form a reasonable basis for making the particular claims. More specifically, there

> may be some types of claims for some types of products for which the only reasonable basis, in fairness and in the expectations of consumers, would be a valid scientific or medical basis. The precise formulation of the "reasonable basis" standard, however, is an issue to be determined at this time on a case-by-case basis. This standard is determined by the circumstances at the time the claim was made, and further depends on both those facts known to the advertiser, and those which a reasonable prudent advertiser should have discovered. Such facts should be possessed before the claim is made." Id, slip opinion pages 12-13.

Another area where the unfairness in advertising theory may find root is in advertising directed toward children. Complaints employing this theory have been considered by the staff but the theory has not yet reached the Commission level in an adjudicated case. See complaints in ITT Continental Baking Co., FTC Dkt. 8860; Topper, FTC Dkt. C-2073; Mattel, FTC Dkt. C-2071.

III. Remedies Available to the FTC

Congress has invested the FTC with "wide latitude" to fashion orders to remedy advertising abuses. Jacob Seigel Co. v. FTC, 327 U.S. 608 (1946); FTC v. Ruberoid Co., 343 U.S. 470 (1952); Moog Industries, Inc. v. FTC, 355 U.S. 411 (1958).

Traditionally, advertisers found guilty of violation of the law were ordered by the Commission to "cease and desist" from continuation of those illegal practices. Such an order merely commands the respondent to "go and sin no more." But, where the deception is inherent in the product name (e.g., "Havana Cigars" made in the United States) the order may require respondent to "cease and desist" from using the deceptive name, or, in other words, excising the offending name. H. N. Heusner & Son v. FTC, 106 F. 2d 596 (3d Cir. 1939). See also FTC v. Algoma Lumber Co., 291 U.S. 67 (1934) (misleading use of "white" in "California White Pine"). The fact that the name has been trademarked makes no difference.*

In addition, where the deception stemmed from the failure to disclose a material fact, and those deceptive implications of the advertisement could be cured by an affirmative disclosure, the FTC has ordered the respondent to cease and desist from advertising the product unless certain facts are clearly disclosed. E.g., Keele Hair and Scalp Specialists, Inc. v. FTC,, 275 F.2d 18 (5th Cir. 1960) (requiring affirmative disclosure of inefficacy of product in treating most types of baldness).

Besides the traditional cease and desist orders and the now not-so-novel affirmative disclosure orders, the Commission has exercised its power to add new, innovative remedies to the enforcement of the FTC Act. The Commission has recently held that it has, within its arsenal of remedies, the power to order an advertiser to provide a "corrective advertisement" to bring about effective remedying of the lingering public deception resulting from the advertiser's prior deceptive advertisements.

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*Before determining that excision of part of a trade name is necessary, the FTC considers less drastic alternatives such as ordering the addition of qualifying language to cure the deception. See, e.g., Jacob Siegel Co. v. FTC, 327 U.S. 608 (1946).

Firestone Tire & Rubber Co. 3 CCH Trade Regulation Reporter, Para. 20,112 (FTC 1972). By ordering corrective advertising, the Commission will be able to prevent the deceptive advertiser from presently harvesting the fruit of his past wrongdoing in the form of undeserved sales and misplaced consumer loyalty.*

Other remedies also are being tried. For example, where evidence shows a causal connection between deceptive advertising and substantial consumer loss, the Commission has sought restitution of damages. Curtis Pub. Co., 3 CCH Trade Reg. Rep. Para. 19,719 at 21,757 (FTC 1971). And where the advertising technique raised a serious question of health and safety, the Commission moved into a federal district court seeking a preliminary injunction against continuation of the ad campaign. FTC v. Rhodes Pharmacal Co., 191 F.2d 744 (7th Cir. 1951). This injunctive power is derived from the FTC's regulatory power in the area of food, drug, devices, and cosmetics (Section 13 of the FTC Act).**

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* A corrective advertising order which is directed at the advertiser, is not the same as the proposal for "counter advertising" which is being studied by the Federal Communications Commission in connection with its review of media responsibility to cover both sides of controversial issues. It has never been intimated that the FTC has power to order counter advertising.

** In a Section 5 case, it may be argued that the Commission has the power to seek and obtain a preliminary injunction even in the absence of a specific section authorizing an injunction. See FTC v. Dean Foods, Co., 384 U.S. 597 (1966).

Also related to the FTC's regulatory authority over food, drugs, devices, and cosmetics, is the FTC's power to recommend to the Justice Department criminal prosecution of advertisers under Section 14 of the FTC Act. (See footnote *** on pages 3-4, supra).

Finally, although not technically a "remedy", the FTC's new "advertising substantiation program" is a means by which the FTC regulates and prevents false or misleading advertising. The program, by compelling certain advertisers to provide data to substantiate their claims, was designed to provide the buyer with enough information to enable him to determine the accuracy of an advertised claim, enable consumers to distinguish the honest sellers from the less reputable, and also serve to deter the use of unsubstantiated claims.

IV. The Procedural Course of an FTC Litigation

An FTC investigation of a particular advertisement or of a particular industry-wide practice may be generated by consumer or competitor complaints, by members of Congress, the President, other governmental agencies, or by the FTC on its own initiative. The FTC Act, Sections 6 and 9, give the FTC the power to gather information during an investigation. The Commission encourages voluntary cooperation in its investigations, but where the public interest requires, the Commission will invoke any or all compulsory processes authorized by law.

Once an investigation has revealed that a proposed respondent has engaged in a possibly unlawful act or practice, the Commission utilizes three flexible types of procedures to bring those practices to a halt: assurance of voluntary compliance, consent order and full adjudication.

First, where the practice has already been terminated or is expected to be terminated at the close of the current advertising campaign, the Commission may permit the advertiser to voluntarily assure that he will not resume the practice. An "assurance of voluntary compliance" is not allowed in every case; the Commission must determine whether the public interest will be adequately safeguarded by the mere promise of voluntary cessation of the illegal practice. Among the factors considered are:

> (1) the nature and gravity of the alleged violation, (2) the past record of good faith of the parties involved; and (3) other factors, including, where appropriate, adequate assurance that the practice has been discontinued and will not be resumed.

Commission Rules of Practice Section 2.21. Although an assurance of voluntary compliance contains the promise that the proposed respondent will not continue to engage in the challenged activities, the Commission usually does not require an admission that the practices were in fact violative of the FTC Act. If the voluntary promise to halt the challenged practice is later broken, the Commission will resume the administrative proceedings, but no penalty directly flows from the breach.

If the Commission determines that the public interest will not be satisfied by voluntary cessation, a formal complaint is prepared by the Commission's staff. The complaint is issued if the Commission has "reason to believe" that the FTC Act has been violated. In many cases, where time and the public interest permits, the Commission will notify the proposed respondent of its intention to issue the complaint and thereafter, the proposed respondent has 10 days in which to offer to the Commission that the case be disposed of by "consent order." A respondent who wishes to avoid full litigation will attempt to negotiate a consent order. If the Commission and the proposed respondent conditionally agree to a settlement of the case by consent order the Commission puts the consent order on the public record for 30 days for public comment. Within 10 days following the 30 day period the Commission may either finally accept the settlement or withdraw its acceptance. If the agreement is finally accepted, the complaint issues along with the consent agreement and an agreed to cease and desist order. Such an order, like the assurance of voluntary compliance, does not usually contain an admission that the respondent violated the law, but, unlike the assurance of voluntary compliance, a signed consent order is binding on the respondent and its breach subjects the violator to the same penalties as violating an adjudicated cease and desist order: up to $5,000 a day for each violation with each day of violation counting as a separate offense.

If a consent agreement cannot be reached, or is not deemed to be in the public interest, the Commission issues the complaint and the adjudicatory process begins. A hearing date is set and the case is assigned to an administrative law judge (hearing examiner) who sits and hears evidence presented by both parties to the case. The procedures at the hearing are similar to those in federal district court with full right of presentation of witnesses and cross examination. The Commission staff attorneys have the burden of proving a violation of the Act. After the evidence has been received, the administrative law judge renders an initial decision. If the decision is against the respondent, the cease and desist or other appropriate order will be issued. This decision becomes final if not appealed to the full Commission for review.

After the initial decision of the administrative law judge has been handed down, either side may appeal to the Commission. The Commission also has the power to review decisions of the administrative law judge on its own motion. On appeal, the Commission hears argument from both sides. In most instances after argument [illegible] heard, the Commission writes a full opinion. The Commission has the power to affirm, reverse, modify or remand the initial decision of the administrative law judge. The Commission's orders against a respondent do not become operative until 60 days have elapsed to allow for seeking review in the federal court of appeals.

If review is sought in the federal courts, the Commission's findings of fact are upheld when they are supported by "substantial evidence." (This is less than the usual "preponderance" of the evidence standard in civil cases.) From the court of appeals, a respondent may seek final review in the United States Supreme Court.

Self-Regulation

The industry has incorporated a variety of safeguards which are subsumed under the title of self-regulation. These range from the reviews by agency and client legal counsel(referred to in Chapter Two), to the recently-constituted NARB. Many of these procedures are preventive in intent, but the CBBB and NARB both provide a remedial recourse for the consumer.

The sentiment that self-regulation can be a useful, flexible and effective tool is widely shared. Congressman John Dingell, for example, stated that

> The Subcommittee on Activities of Regulatory Agencies Relating to Small Business strongly feels that self-regulation if properly handled can be a great boon to both business and the consumer (Dingell T9).

Others were not sanguine about the likely responsiveness of any self-regulatory institution (Choate T1534). Though we are concerned about such criticism, it will play a little part in the present chapter, which is essentially descriptive in nature.

Clearance Procedures and Safeguards

Advertisers and Agencies

As described in Chapter Two, agency and client legal counsel are heavily involved in the "vetting" of proposed, rough, and finished advertisements. The major criteria used in evaluation are evidently legal. These are modified by the lawyers' expectations of what will or will not pass scrutiny by the media, or what will or will not satisfy the NAB code. The review board, which is part of a number of agencies, plays a role here; but, its deliberations are more confined to business than legal, aesthetic, or moral criteria.

In sensitive product categories, such as proprietary drugs -- or in children's products, such as toys, cereals and snacks -- the review procedure can be lengthy and detailed. In all cases, the procedure begins before the client has seen the advertisement in concrete form. The legal review of the rough version of the ad includes:

> basic copy claims, the words used, the art and photography used, and the production technique intended to be used. (Schwartz, T536).

In addition, labeling, pricing, Robinson-Patman, guarantee, state law, use of endorsements, and a variety of other considerations may be part of the process (Schwartz T536). Advice of experts, and testing organizations, is allegedly used as necessary (Schwartz T536). The lawyers are "trained, by practice and experience, in the requirements of FTC, FDA, FCC, and other regulatory bodies" (Schwartz T532). Schwartz claimed that the relevancy of claims is checked, and stated that if a product claims to have a particular ingredient "it is required that there be enough of that ingredient present to have a recognized and significant meaning or benefit to the consumer" (Schwartz T536).

The account group at the agency is generally responsible for ensuring that the rough ad is revised so as to meet lawyers' objections (Schwartz T537). Initial clearance has then been obtained. Many agencies also require pre-clearance of production techniques before the ad is produced (Chapter Two, p. 34; and Chapter Five). In the final clearance, the finished advertisement (for television and, less often, for radio [Schwartz T540]) is checked to see if it "deviates from the approved script or the approved production report, regardless of whether or not deviations were intentional" (Schwartz T539).

Media

Every major network has a Broadcast Standards Department, whose function it is to review all advertisements (and program material) submitted for airing. This review entails evaluating truthfulness and substantiability of claims, adjudging conformance with NAB (see next section), and legal standards, as well as determining whether the ad meets the broadcaster's own standards and policies (Schwartz T541).

In the event that Broadcast Standards is dissatisfied with the ad, agency and client have the "burden of proof of satisfying that department and furnishing necessary substantiation" (Schwartz T541). Differences of opinion are resolved in joint meetings, and outside experts are employed as necessary.

National Association of Broadcasters

Of approximately 683 commercial television stations in operation, 402 are subscribers to the Television Standards Code of the National Association of Broadcasters. Members must ensure that their advertising complies with the code, in addition to meeting legal requirements. NAB standards prohibit ads for certain goods and services (e.g., fortune-telling, hemorrhoid preparations), and regulate ads for others, [e.g., gambling, liquor] (Schwartz T542).

In addition, special standards exist for advertisements aimed at children (Banks T698).

Pre-submission of advertisements in a particular field can be required by the NAB for as long as they believe it to be necessary. Presently, such pre-submission is mandatory for toys, mood drugs, and feminine hygiene products (Schwartz T542). Mr. James Harvey described how storyboards for toy commercials are submitted to the NAB Code Authority (Harvey T1647). The Authority may reject a storyboard, or require changes. Mr. Harvey felt the Code was very effective:

> If we were to produce a commercial which violated the code's regulations, that commercial would not be accepted for airing either by the networks or by any major television station in any major market in the United States (Harvey T1647).

Mr. Bluestone, a former editor of toy commercials for the NAB Code Authority, felt quite differently (Bluestone T1711-1735). He was not satisfied with present standards, nor the way they were interpreted. He pointed out the awkward political position of the Code Authority, "trapped between fiercely competitive toy manufacturers, social critics and its own parent NAB" (Bluestone T1724), and drew attention to defects in the notification system (Bluestone T1731).

Complaints to the NAB from the general public, its own staff, subscriber stations, or competitive advertisers mean that it may become involved in a situation where pre-submission is not required. This may occur before or after a commercial is on the air, and the NAB might be asked for an opinion in a dispute between advertisers and agencies, and a Broadcast Standards Department (Schwartz T543).

The NAB Radio Code was briefly discussed (T1150-1151). In response to Commissioner McIntyre's questions about the use of counsel in radio ad preparation, Mr. Daniel Aaron and Mr. Julian Cohen acknowledged that they use their own counsel, and agency counsel, as required (T1151). Mr. Cohen pointed out that their standards were "far more stringent than the NAB codes" (Cohen T1150). On the basis of the evidence presented in the hearings, it was impossible to know if this attitude was general. It is our feeling that there are probably as many examples of laxity as stringency.

The Direct Mail Advertising Association

The DMAA is a trade association representing 1,600 companies who use direct mail as a promotional medium. The Association has adopted a number of procedures designed to help the consumer.

Guidelines for Sweepstakes Promotions were developed by an ad hoc subcommittee of the DMAA, and are offered to designers, operators, and users of sweepstake promotions (T1022-1023). These guidelines recommend clear and conspicuous disclosure of sweepstake rules, setting aside of prizes in advance, and advocate keeping full records of entry forms, participants, prizes, prize winners, and selection procedures, to be made available to government and members of the public upon request.[1]

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[1] DMAA Ad Hoc Subcommittee's Guides for Self-Regulation of Sweepstakes Promotions, Washington, D.C., Direct Mail Advertising Association, April 6, 1971.

Investigatory services are also offered by the DMAA, under the name of "Certified Service." Under this program, the DMAA will "investigate any complaint by a consumer against a mailer -- whether a DMAA member or not" (Delay T1023). The procedure involves following up on behalf of a consumer who has written to the company involved, and received no satisfaction. Mr. Delay quoted an example of successful intervention (T1024), but the general efficacy of the program could not be evaluated based on the information provided.

Magazine Publishers Association

Chairman Kirkpatrick was interested in whether or not the MPA had a set of standards analogous to the NAB code (Kirkpatrick T1038). Mr. Stephen Kelly, president of the MPA, an association of 130 magazine publishers, replied that there was no similar code (Kelly T1038). Rather, each publisher screens advertisements individually to eliminate "those which appear fraudulent or against the best interests of his readers" (Kelly T1036). Some publishers suggest how copy might be amended to render it acceptable.

Recourse Procedures

In September, 1970, the then-chairman of the American Advertising Federation, Victor Elting Jr., publicly presented proposals for a self-regulatory program to deal with issues of truth and accuracy in national consumer advertising (Bell W5). These proposals resulted in the emergence of a full-fledged system of self-regulation, intended to offer some recourse to aggrieved consumers. First, we shall describe the two-tiered system for national advertising, which resulted from the joint efforts of the AAF, the ANA, the AAAA, and the CBBB, in consultation with government and industry leaders (Bell W7). We shall, then, describe the equivalent system for local advertising.

The National Advertising Division of the Council of Better Business Bureaus

The NAD is the first element in the new program of self-regulation (Bell T101), and will "do the N.A.R.B.'s spadework" (Gray T774). One part of its function will be preventive. The NAD staff will monitor national advertising "to uncover possible abuses on its own initiative" (Bell T104) and offer guidance on advertising development to agencies and clients. In addition, the NAD will "receive, evaluate, and act on complaints with regard to truth and accuracy in national consumer advertising" (Bell T104).

The NAD will evaluate advertising, using "available information on the performance of the product under accepted standards of truth and accuracy" (Bell W8). Should advertising fail to meet these criteria, NAD staff will seek appropriate changes by working with agency and client. In cases where the advertising is neither altered nor withdrawn, the complaint will be appealed to the National Advertising Board.

The National Advertising Review Board

The N.A.R.B. is the second tier of the self-regulatory system. Chaired by former Ambassador to the United Nations, Charles W. Yost, the board consists of fifty members (Gray T774) drawn from advertisers (30 members), agencies (10 members), and the public (10 members). (Bell T102).

When an advertisement is appealed to the NARB, the chairman convenes a five-man panel of three advertisers, one agency, and one public members. This panel hears the specific case, and reaches a decision on behalf of the board (Bell W9). The decision of the panel is conveyed to the advertiser "at the highest corporate level" (Bell T105). If there is no cooperation from the advertiser:

> the chairman of the NARB after exhausting all procedures shall inform the appropriate government agency. The letter shall describe the advertising and the questions raised and advise that the NARB file is available for examination upon request. The chairman shall make public the letter and any comments or position statement received from the advertiser (Bell W9).

The System in Operation

At the time of the hearings, the machinery for self-regulation had just been established. Its sponsors were concerned that it be "effective, respected, and credible" (Bell W6). To this end, consumer representation and adequate enforcement were deemed essential. Although some felt that public representation should be greater than 20 percent, Mr. Bell believed that "the inclusion of public representatives in an industry program is in itself a major step forward" (Bell W10). We also share Mr. Bell's view that how well the Board performs its responsibilities is more important than the number of public members. Presently-available evidence suggests that the NARB is experiencing some birth pains. The main problems seem to be failure to act quickly enough, and evaluative criteria employed.[2]

Specifically, the NAD staff appear to have been unduly slow in performing the initial evaluations discussed earlier in the chapter. The NAD staff, in critics' eyes, appear "to be considering ads from the standpoint of what the advertiser tried to do rather than what the viewer sees,"[3] a practice which, according to Schwartz, legal counsel do not indulge in (Schwartz T565). These problems, and others are compounded by the reticent informational policy of the NARB.[4]

The delay problem can be handled by improved internal control, and both this and a changed informational policy may be in the offing.[5] The problem of evaluative criteria is a thornier one -- but one which, nonetheless, could have been anticipated from the loose wording in the original NAD - NARB charter. "Checking the representations made in the advertising with the available information on the performance of the product under accepted standards of truth and accuracy" (Bell W8) does not provide acceptably rigorous criteria which can be understood by all interested parties. Furthermore, it leaves moot such questions as "Acceptable to whom?," "Are accepted standards good enough?" or, even, "What are accepted standards?"

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[2] Stanley E. Cohen, "Consumerists Feel Self-Regulation Ad Program Is Not Getting Results," Advertising Age, Vol. 43, No. 32, (August 7, 1972), p. 4.

[3] Stanley E. Cohen, "NARB Won't Be Hurried, Silbergeld Case Shows," Advertising Age, Vol. 43, No. 32 (August 7, 1972), p. 74.

[4] Cohen, "Consumerists Feel...," p. 4.

[5] *Ibid.*

Mr. Bell expressed his confidence that "the program will earn the respect of the public generally... and merits the support of all who have an interest in improving the system." (Bell, W10).
We believe this can eventually be true. But, shakedown problems of the NAD-NARB indicate that a considerable amount of effort still needs to be expended before the millenium. In particular, we believe that the lack of realistic, clearly articulated, explicit criteria is a serious impediment to the credibility and effectiveness of the self-regulatory system. We shall discuss this issue in depth in Chapter Nine.

Local Advertising

Some idea of the importance of local advertisers can be gleaned from the figures presented by Bell, and shown in Table 1. (From Bell W4). In both newspapers and radio, local advertisers' expenditures outstrip national billing.

Table 1

1970 Advertising Expenditures in Selected Media

	Newspapers	Radio	Television
Local	4.7	.84	.7
National	1.0	.40	2.9
Total	5.7	1.24	3.6

(All figures in billions of dollars)

Undertaking self-regulation of local advertising is no small nor unimportant task.

The bulk of this task has fallen on the Better Business Bureaus, "set up 58 years ago as a vigilante committee to try to prevent fraudulent and deceptive advertising" (Gray T773). In 1969, these bureaus investigated about 50,000 local advertisements, trying to persuade the advertiser to change the ad wherever deception was apparent. According to Gray, this almost always succeeded in getting correction or discontinuation (Gray T773). Failing appropriate response, the information is turned over to the appropriate government authority at the local, state, or national level.

At the hearings, Howard Bell announced steps to further formalize this function. The AAF and CBBB intend to set up local advertising review boards, presumably analogous to the national body, since "an extension of the national program is essential to complete the circle of concern with respect to the truth and accuracy of all advertising" (Bell T107).

Summary

We do not doubt that there is a very important role for self-regulation. Indeed, a considerable task is already being performed by various self-regulatory practices and institutions. But, there remains room for improvement. The fact that self-regulation cannot be expected to bear the complete burden of ensuring more truthful and informative advertising is clear. During the report, we have suggested a number of areas which we believe may best be handled by self-regulation, and others where outside efforts will be necessary. As we have seen, the role and modus operandi of the Federal Trade Commission have continually changed and evolved over time. Some of our recommendations, however, lie outside its current mandate. We devote the next two chapters to the development of these recommendations. In doing so, we shall take pains to distinguish the roles appropriate for various types of regulation -- governmental or otherwise.

CHAPTER EIGHT

RATIONALE FOR RECOMMENDATIONS

In this chapter, we shall develop a structure to aid in objectively evaluating the effects of advertising on the consumer. Evaluation involves specifying the criteria of judgment. These criteria relate advertising's effects on the consumer to society's most basic values. We shall first describe a rationale by which criteria for evaluating advertising can be related to these fundamental, widely-shared values. Then, we shall show how these criteria can be applied to consumer behavior in order to arrive at a judgment about the advertising.

Introduction

We adhere to the widely-accepted proposition that the consumer is best served by private enterprise. In theory, the free market should provide the consumer with optimal choices, without the presumed rigidities of regulation. In a complex and rapidly-changing marketplace, it is difficult for the regulator to formulate rules which do not hamper some desirable effort. Even if these rules do not immediately produce an unanticipated and undesirable effect, they may quickly become out-of-date, and to apply them can fail to serve society's interest.

Consider the roles of advertising. Besides its importance in informing the consumer, through facilitating the flow of new technology to him (in the form of new products and services), it helps to create investment opportunities. This investment is essential in absorbing the savings generated in our economy, and in maintaining our level of employment and growth. Although growth per se has become a tarnished goal in the last decade, few question the need for technology as long as its costs -- as well as its benefits -- are properly evaluated. The socioeconomic process of technology-transmission through product innovation is not only complex and vital, but it is also delicate. Because the socioeconomic process is not well understood, it should be tinkered with only with caution.

Regulation is not only justified but, in some cases, it may directly serve the regulated (as well as the consumer). Some evidence indicates that the credibility of advertising has declined in recent years. Yet, the need for advertising has grown. As indicated in Chapter One, the consumer's volume of purchase has grown with the rising standard of living. The complexity of many products has increased. Some new products must be judged on entirely unfamiliar criteria. All of these factors have added to the consumer's increasing need for information.

The advertising industry has much to gain by rules that encourage credible advertising. To the extent that advertising is credible, it can be a more effective marketing tool. Because it can be a greater influence on the consumer's purchasing behavior, a 30-second credible commercial is worth more dollars than a less-credible thirty-second commercial. Regulation is an anathema to the regulated, insofar as it reduces the decision-maker's options. However, if such regulation produces credibility, interference in the free market is justified. Historically, if they have the effect of strengthening or rebuilding public confidence, strict regulation and supervision have been constructive for the growth and development of an activity or service.

As discussed in previous chapters, advertising is considered essential to the operation of a free market. It aids in optimizing consumer choice because it serves an information role. Some who attack advertising base their criticism on its failure to perform this central function. Others state that advertising is intrusive, nonproductive, and/or unfair etc. Such effects are labeled by some as abuses requiring and justifying regulatory action. For our purposes, these effects are secondary to advertising's informational role.

To recommend action about an advertising practice implies that a judgment of the desirability of that practice has been made. To make this judgment requires criteria by which to identify violators, to formulate remedies, and to assist in developing means of enforcement. Equally important, the criteria must be explicit if they are to help the advertiser avoid violating the rules. It is essential that these criteria should serve the basic values of our society. A rationale is needed which logically links the criteria for evaluating advertising to the values of our society.

Rationale

Freedom -- freedom of choice -- is one of the most cherished and fundamental of American values. To implement that value, the consumer should be free to buy what he wishes. He should, also, be free to spend more or less effort in making his choices. In evaluating advertising, it is important to recognize that consumer decision often involves search costs. Search costs -- time and money spent in searching -- can be substantial. For example, contrast going to the library to read about cars in Consumer Reports with receiving information about cars from an automobile commercial. In terms of search costs, receiving information from an automobile television commercial is a less costly source. While the consumer gets more information (of a utilitarian nature) from Consumer Reports, it is at a higher cost.

American society believes that freedom of choice is best served by private enterprise.

Historically, in the context of private enterprise, "freedom of choice" has been defined as the seller's right to enter a market, and the worker's right to choose an occupation and a specific type of job. The consumer's right to choose has not been part of the definition, in spite of Adam Smith's dictum in setting out the philosophy of private enterprise: "Consumption is the sole end and purpose of all production; and the interest of the producer ought to be attended to, only so far as it may be necessary for promoting that of the consumer."[1] Under the National Recovery Administration in the 1930's, the consumer representatives were given little or no voice in setting up the industry-wide, legally-enforceable, price-fixing arrangements to to combat the depression.[2] These arrangements were deliberately intended to raise prices to all consumers.

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[1] Paul J. McNulty, "The Consumer and the Producer," Yale Review, Summer 1969, p. 537.

The evolution of labor unions provides analogies that may guide the development of consumer policy. Some day, as consumer policy evolves, we may read a court decision similar to Chief Justice Taft's landmark opinion about labor unions.[3] Paraphrasing Chief Justice Taft, it might read: "They were organized out of the necessity of the situation. A single consumer was helpless in dealing with a seller."

Conceptually, the consumers' freedom of choice rests on two assumptions: competition among the sellers, and consumer sovereignty. Because the adequacy of competition among sellers was outside the scope of the hearings, we assume in our analysis that the consumer has an adequate number of options. For our purposes, the element of concern in those conditions of choice is advertising; specifically, national brand advertising, not just represented by television, but represented by any medium.

The exercise of theoretical sovereignty by the consumer is limited, vis-à-vis the seller, by inferior bargaining power. There are two aspects of that inferior position: (1) the individual consumer's purchases are minimal in relation to the seller's volume of sales; (2) the seller has a strong informational advantage. In the context of advertising evaluation and regulation, nothing can be done to equalize the former. Therefore, more attention is focused on actions which may equalize the latter imbalance.

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[2] L. S. Lyon and others, The National Recovery Administration, (Washington, D.C., Brookings Institution, 1935).

[3] American Steel Foundries v. Tri-City Central Trades Council, 257 U.S. 184, 209 (1921). "Consumer" was substituted for "employee" and "seller" for "employer."

Regular adjustment is necessary to guide accommodation between the consumer's need for information and industry's willingness to provide such information before it is forced by potentially unrealistic and unreasonable regulatory action. Commission efforts to increase the amount and availability of information in the marketplace, such as the ad substantiation program, have been favorably received and commented upon by industry spokesmen.[4]

Since information strongly contributes to optimal conditions of choice, the objective of the Commission in regulating advertising should be the achievement of those conditions. An alternative objective could be to regulate the quality of the product. However, except in the case of health and safety, we believe this would be a mistake.

When applied to advertising, certain criteria can contribute significantly to the objective of providing the necessary information to create optimal conditions of consumer choice. With these criteria as our tools, we can examine the various entities -- federal government, state and local governments, consumer interest groups, and industry -- that can or do contribute to the consumer's information needs. We believe this broader view will be more useful than if we confined the analysis to the Federal Trade Commission.

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[4] Mr. Rosenshine, Vice President, B.B.D. & O., reported in June that creative people are adapting to the substantiation requirements. He further commented that in some cases the new rules are helpful in nudging them to do what they might, in the interests of the client, have been doing anyway (Allen G. Rosenshine, "Uncle Sam, Creative Supervisor," Eastern Regional Meeting, A.A.A.A., June 5, 1972).

Criteria of Evaluation

Six criteria can be used to evaluate advertising in terms of its contribution to providing optimal conditions of choice:[5]

(1) Timeliness

(2) Intelligibility

(3) Relevancy

(4) Truthfulness

(5) Completeness

(6) Accuracy of target audience

In evaluating the informational quality of advertising, the legitimacy of these criteria is based on the theory of consumer behavior, as set forth in Chapter Six. We see that each of the six relates to some aspect of the consumer's capacity to process information. Specifically, they either relate to his ability to acquire information, or to his ability to use that information once he has acquired it. Thus, an advertisement judged by these criteria is either good or bad -- adequate or inadequate -- in terms of its capacity to serve the consumer's information requirements. As each criterion is examined, you will see how it is related to the theory of consumer behavior.

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[5] All six of the criteria are based on the theory of consumer behavior in the sense that each has its counterpart construct(s). In most cases, field-applicable operational definitions have been developed; but, not in terms of public policy purposes. The transfer to public policy needs may require some adjustment.

Four of these criteria -- intelligibility, relevance, truthfulness, and completeness -- were developed by the Bureau of Consumer Protection.

Timeliness

"Timeliness" is based on whether or not the advertising catches the attention of the consumer in time for him to purchase the brand when he needs it. Seldom does the consumer utilize a brand at the moment of purchase. Unless an ad is timely, therefore, the useful information it contains is of no avail.

If it is to help the consumer to plan, an ad must interrupt ongoing patterns of mental activity. Consumers tend to ignore -- not perceive -- advertisements. Only if the ad attracts attention will it serve the function of helping plan purchases. This attention-getting aspect of advertising is overworked by advertisers. As we concluded in Chapter Three, because of its close relationship to recognition and recall of an ad, the industry tends to judge the value of certain advertisements only by the attention-getting criterion. Most of those who are affected by the ad probably require less attention-getting effort than they receive. To aid in the timing of purchases is an important, and often unrecognized, function of advertising. An older generation of marketing scholars emphasized this process and labeled it, "the creation of time and place utility", that is, a product is useful to the consumer only if it is available where he needs it and when he needs it. While an untimely ad may not achieve the advertiser's purposes, its failure to do so will not be of concern to the Commission from a legal point of view.

The basis for the timeliness criterion in consumer theory is whether or not the consumer will remember having seen the brand ad when he needs the product class. As we saw in Chapter Four, a number of mechanisms determine this process.

Intelligibility

"Intelligibility" refers to the capacity of an ad to provide an unambiguous understanding of the brand -- how to buy it, and how to use it. An important aspect of intelligibility is how easy it is for the consumer to understand the ad. Is the ad clearly written? How much mental effort is required to grasp the meaning of the ad? If it is entertaining, the consumer may find it easier to grasp its meaning because he has a double motive for looking at the ad, namely, to enjoy it and to understand it.

Intelligibility is based in consumer theory by the construct of ambiguity of the information. If the consumer views the product class as important and the ad is not ambiguous, he is stimulated to devote some effort to understanding the ad. While either the ad or the concept of the brand can be unclear, here we are concerned only with the ad. The clarity of the brand concept is explored in the "completeness" criterion.

Relevancy

To what extent does an ad inform the consumer of his desired benefits (as specified by his attitudes toward the brand) to be derived from a particular brand? This is "relevancy." These evaluative judgments rest upon denotative or referential attributes of the brand by which the consumer identifies the brand. This information, too, is

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included under relevancy. For established brands, the brand name probably carries most of this burden. As we shall see in discussing the completeness criterion, not all information is relevant information.

As established in Chapter Four, a consumer's attitudes are positions on dimensions by which he evaluatively conceptualizes all brands in the product class. (These dimensions are called choice criteria.) The consumer has three types of attitudes toward the brand. First, he has personal attitudes. These involve how much he likes the brand in terms of taste, feel, and smell. These attitudes are primarily physiological. Also, included here may be attitudes which are underlain by such learned motives as desire to achieve, and desire to exercise power.

The second set of attitudes deals with how buying, owning, and consuming the brand are expected to affect the consumer's view of himself, as well as how he is viewed by others whose opinion is of concern to him. These are called self-concept attitudes; i.e., "If you buy 'Brand X', your wife will love you more."

Third, the consumer holds impersonal attitudes toward a brand. These have to do with how he evaluates the conditions of purchase, and include such factors as price, availability, and service. Brand quality dimensions enter here only when the consumer is buying for someone else, for he would then incorporate those quality dimensions which matter to the other person.

For a new brand in a familiar product class, the consumer needs the information required to form a descriptive, non-evaluative "picture" of the brand so that he can recognize it. This is the brand comprehension of Chapter Four. If it is a radically new brand -- representing a new product class -- he needs information to form his choice criteria, attitude dimensions appropriate to that class as dictated by the nature of the product, and his motives.

We believe that advertisers may under-use the criterion of relevancy, even for their own benefit. One agency executive, Mr. Maxwell Arnold, stated, "It is the agencies with the creative people taking the lead who have convinced the clients that more information, more facts, will never be missed nor remembered." (T1865). We believe that the quick, rough market research analysis used by agencies hides the fact that consumers in the market for the product class respond to information more than is commonly thought by practitioners. (See Chapter Three.)

There is agreement that advertising which feeds information to the consumer's personal attitudes is desirable. But opinions vary as to whether the consumer's self-concept attitudes should be the object of advertising. Some critics seem to question whether this is a legitimate basis for advertising. But, Roger Brown, the psychologist, has put it, "...we should not expect a symbol-using animal to live by meat and drink alone."[6] Just as a person wears a particular type of clothing to symbolize his status, why shouldn't he smoke a particular brand of cigarettes for the same reason? We believe that self-concept advertising merely meets the needs of a consumer in a wealthy society.

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[6] Roger Brown, Social Psychology (New York: The Free Press, 1965), p. 568.

Substantial resources can be devoted to satisfying symbolic behaviors, which further differentiate the consumer's preference pattern. Symbolic behaviors do serve essential sociological purposes. They exist not only in wealthy or high standard-of-living societies, but in all societies, regardless of their varying standards-of-living. This is evidenced, in one way, by the findings of such symbolic behavior patterns among even the most primitive of peoples.

Some critics believe advertising can affect the consumer's self-concept to such an extent that it places him in conflict with his culture.[7] He is alleged to value himself for the wrong reasons; that is, for reasons not acceptable to society: "Sexual love, manliness, femininity, maternal feeling are steadily devalued by their mercenary association with a brand name."[8] These broader issues are beyond the scope of this report, and require basic research to develop an answer.

A self-concept appeal is often referred to as an emotional appeal (Braren T96), or a psychological appeal. Whether such an appeal is intended by advertising's creators could be questioned. However, its prevalence suggests that it is intentional, and Mr. Andrew Vladimir affirmed its intentionality (T1906). There are two questions to be dealt with here. First: Do ads really use these appeals? Limited evidence suggests they do. Second: Can such appeals be substantiated? We believe that current research techniques make substantiation possible in most cases.

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[7] M. W. Childs and D. Cater, Ethics in a Business Society (New York: Harper and Bros., 1954), pp. 168-170.

[8] Frank Whitehead, "Advertising" in Denys Thompson (ed.), Discrimination and Popular Culture (Baltimore, Md.: Penguin Books, 1964), p. 31.

If relevant information is desirable, is irrelevant information undesirable? In Chapter Four, we emphasized the human's remarkable capacity to tune out irrelevant material. But, is there a cost to the consumer in tuning out such material? Dr. T. Berry Brazelton, of the Harvard Medical School, asserted that for both children and adults there is a significant tune-out cost in the form of nervous exhaustion (T1254-5, 1261-2). Does the person always tune out irrelevant information? Or, are there conditions under which he can be a "victim" of the advertising? This latter possibility was raised in Chapter Four, and will be discussed as a research issue in Chapter Nine.

We believe that national brand advertising contains, in addition to the necessary attention-getting content, substantial irrelevant information. We must be careful, however. The question can be really answered only in terms of specifics -- a given brand, a given ad for it, and a given consumer -- so that any blanket condemnation is unjustified. As Achenbaum pointed out in the hearings (W19-20):

> Obviously, what is relevant will depend on the user or purchaser. To the mother concerned with the health of her family, it may be nutrition. To a man interested in dessert, it may be taste. To the artist, its esthetics. To the storekeeper, its ability to stay firm. To another housewife, its perishability over time, its flexibility in use, its ease in cooking.

We would not expect the individual consumer to use many dimensions. We would be surprised if he used more than six or eight dimensions, and one often makes the difference. We thoroughly disagree with Mr. Loevinger, who stated, "Nobody can define what is relevant" (T740). As we interpret their comments, many of the industry representatives would also disagree with him. Relevance can be defined, and advertisers could do a better marketing job if they knew what is actually relevant to consumers.

Completeness

"Completeness" of information involves the capacity to provide enough information for the consumer to choose a brand. It involves all aspects of his choice, including relevant attitude dimensions, brand comprehension dimensions, information triggering him to be aware of his need, and any content needed to aid intelligibility. If the information is "complete," the consumer should be able to make his decision with varying degrees of ease. The degree will depend upon the complexity of the product class and, as discussed in Chapter Four, whether it is repeat-purchase, a new brand, or a radically new brand (a new product class).

The "completeness" criterion may be confusing if it is not clear whether it means the "completeness" of a single ad, in the sense that "incompleteness" in a single ad may render the ad "untruthful"; or, the "completeness" of the ad, in the sense of providing all the information all consumers would like to have. The issue is the former, not the latter. Does a given ad contribute to information by which the consumer conceptualizes the brand? It would be unrealistic and inappropriate to expect a single advertisement to serve the latter rule.

We can use the completeness criterion to refer to the total information required by the consumer to make his purchasing decision with ease. This goes far beyond a single ad. It includes all of a company's marketing activity. Marketing can be equated with information-dissemination. We believe it is important that this broader view -- the consumer's total information requirements -- be used because the consumer obtains his information in many ways.[9] Whether an ad contributes adequately to a consumer's information needs cannot be substantially judged without considering these supplementary and alternative sources. The entire media mix should be looked at in this light. The media mix should in turn, be viewed in the light of non-commercial sources available to the consumer.

A single ad should not be expected to supply all of a consumer's requirements. The question is whether the information is available to the consumer in some accessible source. Erma Angevine, of the Consumer Federation of America, believes that the consumer would be better-served if much more information were made available at the point-of-purchase than is now the practice.[10] On the other hand, the consumer may prefer to get his information in bits and pieces in a more entertaining way.

In some instances, such as with health and safety, the information is so crucial that the seller should be required to use the best possible medium from the consumer's standpoint. Dr. John Condry, in the hearings, stated:

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[9] See, for example, Johan Arndt, Word-of-Mouth Advertising, Monograph, New York: Advertising Research Foundation, 1967.

[10] Personal conversation.

> Children are told that a certain candy is worthwhile because it gives them "energy to burn," or in a recent ad for Sealtest Ice Cream that "ice cream is good for you." Both claims are true as far as they go, but they do not go far enough. Candy is a poor source of energy to burn, and ice cream is not as good as other things (T1310).

As pointed out in the hearings, the advertiser bears an especially heavy responsibility for making information about the brand available to the consumer because he has a type of monopoly on that information (Braren T89). It is more difficult for one outside the company to acquire the information.

The amount of information (perhaps from a number of sources), required to be termed "complete," may vary. If a consumer is in a highly specialized segment, and it is a repeat purchase for him, a single bit of information could be adequate. With a radically new product, a catalogue description of the product is usually not adequate.

Advertisers believe that putting a company name on the brand is, in itself, important information. As Mr. John O'Toole put it in the hearings, "If surgeons advertised and you had a hot appendix, would you like the ads to be limited to price and function information?" (T1940). We must be careful, however, for many consumers do not know the name of the company producing and selling the brand. Yet, the "brand franchise" does perform some of this service.

Many advertisers believe that consumers will not accept ads with a significant quantity of information because they are not interested in knowing much about the brand.

The limits of the thirty-second commercial are cited by advertisers as a reason for not including more information in television ads (Dillon T343). A shift from sixty-second to thirty-second ads has occurred in the last few years. Television Bureau of Advertising reports that 85 percent of the network and 65 percent of the national spot and local ads are thirty seconds.[11] We believe that, because advertising tends to be judged mainly by recall, more than an optimal proportion of the ad is used to get attention from consumers. If this is so, more of the time in the thirty-second commercial could be devoted to imparting relevant information.

To simplify, we have referred to how the consumer conceptualizes a brand. Obviously, different consumers buy brands in a product class for varying reasons. Some buy a subcompact to pick up the kids at school; but others buy it to drive to the office. As a consequence, they are likely to conceptualize the brand on slightly different dimensions.

The criterion of completeness is based in the theory of buyer behavior via the construct of confidence, as described in Chapter Four. To the extent the consumer has low confidence in judging a brand, his information is less than desirable.

Truthfulness

The criterion of "truthfulness" is obvious. Does the brand provide the benefit the ad says or implies that it does? Does performance equal promise?

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[11] Advertising Age, June 5, 1972, p. 24.

Before we can properly ask, "Is the claim true?" we must first ask "What is the claim?" The question of whether or not a claim is truthful is really two questions: (1) What is the claim? (2) Is the claim true? Given the subtleties of communication, the first question may be more difficult to answer than the second.

To some extent, the consumer can protect himself from untruthfulness. From the cradle, people learn to be aware of others' statements. But, the extent to which normal consumers are able to protect themselves is unknown. In the hearings, Dr. Bruce John Morrison (T1213) asserted that the consumer's belief about objectivity of the source of the message is not important in whether or not he is persuaded by the message. What evidence exists, however, is scarce and not strong. The other dimension of credibility, perceived expertise of the source, has stronger support. However, to generalize these laboratory studies to the marketplace is dangerous. We have evidence to suggest that people are subject to less attitude change when exposed to product information sources that they are less "willing to be guided by," than when they are exposed to information sources they are more likely to be guided by. Whether this is due to the objectivity or expertise dimension of credibility, or both, we do not know.

We believe that credible advertising is more effective in changing the consumer's brand purchasing behavior than is less credible advertising. Consequently, any wide-scale increasing of advertising's credibility enhances its value to an advertiser, as well as to the consumer. An advertiser, and the advertising industry, gain from improving the truthfulness level.

There is growing recognition that some of what has been called "puffery" is probably, in fact, deceptive. We wonder, for example, whether "Ford has a better idea" is not deceptive to consumers.[12] It is an incomplete comparative. If it were complete; e.g., "Better than Chevrolet," we believe it would be questioned.

The criterion is firmly based on the theory of buyer behavior, but the specific mechanisms are not included in Chapter Four to simplify the discussion.[13]

What about companies that do no advertising? Should they be required to provide information via advertising? We believe the decision of how to market the products, and how to supply necessary information to the consumer, should be left to the advertiser. From this it follows, however, that there must be effective coordination in applying the criteria across the elements of the communication mix. We shall return to this subject in Chapter Nine.

Target Audience: Definition and Attainment

For some regulatory purposes, it is important that the target audience be reached exclusively. For example, if children are to be accorded special treatment, certain adult advertising should not be shown to them. How accurately can the advertiser identify his target audience, and reach that audience with his advertising, without spillover into other markets? Current accuracy is not high, as we saw in Chapter Three. However, progress is being made.

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[12] Advertising Age, November 2, 1972, p. 18.

[13] J. A. Howard, "Conceptualizing Adequacy of Information," Proceedings of the Association of Consumer Research, University of Chicago, March 3, 1972.

By definition, advertising is mass communication. Thus, it generally encounters a serious problem in reaching a particular audience. Definition of the segment is typically not accurate; and, reaching it -- even if it were correctly defined -- is reasonably difficult. Adequately specialized media may not be available on an economical basis. However, media are becoming increasingly specialized; thus, permitting more accurate targeting. For example, a magazine designed only for families with a second home is soon to be on the market. Each situation, however, must be treated as a special case in determining whether unintended advertising is reaching a special audience.

Coincidentally, accurate target identification may be one way of reducing the criticisms of clutter and intrusiveness in aevertising. We believe that most of the criticism comes from people who, at the moment, are not interested in buying the product class.

This criterion is based in the theory of consumer behavior, in that individual differences are recognized and can be incorporated. It is possible to identify where messages impinge on the consumer, how he acquires information, and how he uses it once he has acquired it.

Means-End Chain, Operationality, and Intuitive Application

The rationale for regulating advertising can be summarized in the concept of the means-end chain. Freedom of choice is one of our basic values. The institution of private enterprise is believed by some to be a means to freedom. Consumer sovereignty (which assumes a well-informed consumer) is, in turn, a means to achieving the end of private enterprise. Optimal conditions of consumer choice, in terms of quantity and quality of information, is a means to the end of consumer sovereignty. Each of the six criteria is a means to the end of optimal conditions of consumer choice. When applied in a concrete situation, the relevancy criterion specifies the consumer's attitude dimensions toward the respective product class; and, these attitude dimensions serve the relevancy criterion. When an ad carries information about one (or more) of the attitude dimensions for a particular brand in that class, the ad is a means to serving that attitude dimension. Thus, we have a series of links -- each link being a means to a more general end, and all links working to establish whether or not an ad serves the public interest. This is a means-end chain.

The specific criterion used to illustrate the means-end chain was "relevancy." Unlike the other criteria, it is operational in that it can be quantitatively and objectively applied. In applying it, Chapter Four's theory of consumer behavior guides the researcher in collecting the data by telling him what data to collect; further, this theory guides the policy-maker in interpreting the data in terms of his problem.

The other five criteria require further development. To the extent they are now used, their application must be carried out intuitively. This does not mean that they would be incorrectly applied. It means the detailed steps cannot be articulated, and the nature of the application and the results laid bare. Nevertheless, it is much better to formulate the criteria than not to, because such criteria aid objectivity even when they are applied intuitively. The further development of these non-operational criteria is the major research undertaking for the future. This research can be guided by the theory of consumer behavior.

The intuitive application of a non-operational criterion constitutes an intuitive link in the means-end chain.

The application of a criterion obviously requires the establishment of norms. Must an ad include information about all the dimensions by which a consumer conceptualizes a brand? What level of relevance will be satisfactory? This acceptable level is a norm, and the setting of norms is a problem.

Conclusion

In judging whether advertising provides adequate conditions of choice in the face of the growing informational demands burdening the consumer, we have formulated six criteria to be applied. Their application can contribute to the consumer's optimal conditions of choice. To the extent this is accomplished, we believe that advertising will be more valuable. We believe, also, that industry will be furthering its own cause if it chooses to operate on the basis of our six applied criteria. To the extent that industry satisfies the criteria, there is no need for regulation; to the extent that it does not, there is need for regulation.

As we saw in Chapter Seven, advertising policy has been developed in an irregular fashion. Hopefully, the criteria we suggested will aid in a more regular development. As conditions change, however, the need for new criteria may emerge.

CHAPTER NINE

RECOMMENDATIONS

This chapter suggests recommendations on FTC policy and procedures in connection with advertising and consumer problems. To illustrate our recommendations, some of the FTC's current procedures and policies will be discussed. Some of the recommendations will involve proposals for basic consumer research for, without such, objective solutions to some problems are unlikely -- perhaps impossible. FTC policies will be discussed in relation to those of other public and private agencies affecting the consumer.

Federal Trade Commission

The Federal Trade Commission bears the primary responsibility for federal regulation of advertising.

The Bureau of Consumer Protection, which initiates recommendations to the Commission, has evaluated ads (usually intuitively), primarily in terms of the truthfulness criterion. By "intuitive," we mean that the Bureau generally cannot articulate how it reached its judgment. In the evaluation process, three levels of intuitive judgments are involved: (1) whether -- and when -- a claim is a claim, as explained in Chapter Five, in the discussion of actual vs. implied claims; (2) whether the claim is true or false; (3) whether the claim, as a matter of law, is deceptive. The fact that these judgments are made intuitively does not imply that they are wrong. Others may be inclined to question these judgments, particularly, however, if they do not understand the process by which the judgments were made. Where possible, we propose objective criteria, the application of which can be articulated and understood by the Commission, its staff, industry, and consumers.

Recommendations in Terms of Criteria

Our purpose is to make recommendations in terms of the criteria of optimal conditions of choice, described in Chapter Eight, with respect to advertising practices. We shall deal separately with special audiences.

Timeliness

We believe that advertising does well on this criterion; thus, regulation is not necessary. Obviously, it is in the interest of the advertiser to conform to this criterion.

Intelligibility

Intelligibility is the capacity of the ad to clearly transmit its meaning to the consumer.[1] The ad industry has experts in writing comprehensible ads; but, as Allen C. Rosenshine has pointed out, it has not always been possible for an agency to enforce the discipline to secure such intelligibility in its ads.[2]

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[1] The theoretical counterpart of intelligibility is the construct of ambiguity of information from Chapter Four.

[2] Allen C. Rosenshine, op. cit.

We do not believe it is necessary to regulate this characteristic per se. It is in the advertiser's self-interest to produce intelligible messages. Inadvertent failures in communication should occur less frequently as creative people come to view the consumer in a more detailed and accurate way, and as basic research enables us to articulate more fully the consumer's response to advertising.

Where omissions in incomplete comparatives result in an incomprehensible message, the problem can be considered as an aspect of truthfulness. Incomplete comparatives -- sometimes referred to as "open-ended claims" -- are not intelligible; for example, "Brand X is better." Better than what?

The Bureau of Consumer Protection must be concerned with the intelligibility criterion in producing corrective ads.

Relevancy

Casual observation suggests to us that the industry's performance is less than adequate on the criterion of relevancy. However, such systematic evidence is lacking.

The Commission has moved increasingly in the direction of of affirmative disclosure: cigarettes, octane, care of apparel, phosphate, and analgesics. Mr. Robert Pitofsky has indicated that he expects affirmative disclosure to be an "important regulation" in the future.[3] This direction raises the question of what information should be disclosed. We believe the answer is "relevant" information. As discussed in Chapter Eight, relevant information is information pertaining to the attributes by which the consumer conceptualizes the brand, as well as the purchasing and use situation, in order to make his decision. If credible, this information molds the consumer's comprehension of the brand and his attitudes -- personal, self-concept, and impersonal -- as developed in Chapter Four. This view assumes that the consumer knows enough about the product class (not necessarily the particular brand) to be able to conceptualize all brands in it so as to meet his needs.

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[3] "Advertising and the New Consumerism: A Second Look," October 4, 1972.

A more representative judgment of an ad, than that obtained by current Commission practice, could be from a survey of consumers. (This should not be confused with the past practice of bringing in consumer witnesses to testify.) Representativeness would be gained with a consumer survey, but the judgment would still be intuitive. Thus, an intuitive link in the means-end chain would still exist. Also, such a practice encounters the usual operating research handicaps of cost and delay.

As described in Chapter Eight, we believe this criterion is now fully operational. The Commission can determine, by research, what are the specific choice criteria which consumers use to evaluate brands in the particular product class. Like many tools, this one can be sharpened, and additional research may be able to make its application more economical. Until such research is done, we recommend that this criterion be used only as an adjunct to defining deception that arises due to omission of relevant information.

The relevancy criterion is particularly "researchable" because it has a theoretical counterpart in the theory of consumer behavior. This counterpart -- the attitude construct -- specifies the facts which must be quantified. From a sample of consumers, attitude dimensions can be elicited by fairly standard means. Information that conveys meaning about these dimensions can be called "relevant."

Aside from cost and time involved in collecting the data, there are two limitations upon this ideal approach. First, consumers may not be well enough informed to know how to best conceptualize the brand in their own interest. We do not, however, believe these cases are numerous within the general population. Yet, in some cases (like diet, where even the experts disagree), such lack of knowledge may be frequent. Second, in the case of a radically new brand, consumers have not yet learned to conceptualize it.

Completeness

In many cases, advertising does not include as much information as it should. According to this criterion, all of the Commission's affirmative disclosure cases are deficient. The criterion, however, must be carefully defined.

The industry fears the use of this criterion. Weil pointed out that completeness could be used to prevent a company from advertising characteristics which competing brands share to an equally satisfying degree (Weil T1951).

Even Mr. Maxwell Arnold, who seemed less fearful of regulation than some industry representatives, expressed concern here: except in the cases of drugs and cleaners, "a product should not have to spend money to advertise its drawbacks, in the sense of informing consumers how it may be inferior to the competition or deficient in desirable benefits" (Arnold T1861, 1862). Andrew Kershaw, president of Oglivy & Mather, put it epigrammatically: "The truth, nothing but the truth, but not the whole truth."[4] Mr. Pitofsky made it clear that a product is not expected to advertise its deficiencies, except for reasons of health and safety.[5]

We believe that an advertiser should be permitted, in a product class where all brands are identical, to name a benefit of his brand without being required to say that competitors' brands also have such a benefit -- unless he claims uniqueness for his brand. The consumer benefits because he can believe that this brand has the benefit. His uncertainty is relieved, and his confidence is increased. In the case of an important purchase, uncomfortable tension is relieved. This advertising service to the consumer usually goes unnoticed by the critics. The consumer is then free to search for more information, if he wishes to do so.

We believe that advertisers should think in terms of the consumer's total information requirements, and design their marketing strategies and plans to be consistent with these needs. The marketing task becomes more complex, yet the more astute marketers are already doing this, in a more or less intuitive way. It is implicit in the media mix decision. The complexity occurs, in part, because of the difficulty of coordinating market activity so that a given consumer has a high probability of observing two separate pieces of information in reasonable proximity in time. For example, he sees an ad on television today, and goes into the retail store tomorrow where the brand is displayed.

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[4] Advertising Age, Creative Workshop, 1971.

[5] Robert Pitofsky, "Advertising and the New Consumerism - A Second Look," before Eleventh Annual Corporate Counsel Institute, October 4, 1972, p. 5.

We do not know whether this criterion is operational for the Commission; that is, whether it can be objectively applied. If it is not, however, it would not be a major research undertaking to make it so.

Truthfulness

The activities of the Commission have proven that some ads are untruthful and deceptive. From casual observation, it would appear that substantial progress has been made in the last two years toward improving this characteristic. The effort should be continued. However, self-concept advertising has been excluded in the past. It should now be included.

Substantial basic research should be devoted to making the criterion operational.

Accuracy of Target Audiences

Does the advertiser accurately identify his target audience, and is he able to beam his messages to only the desired audience? Although companies devote a great deal of effort toward identifying the "best" market segments, in terms of growth and profit, significant research evidence suggests that such efforts are not very precise.

It may be that an advertising message is deceptive for one audience, but not for another. This difference is dramatically shown with children. Younger children, because of their less discriminative capacities, are more inclined to take ads at their face value than are older children or adults. Although a claim that others believe a particular brand is superior might be perfectly true for an ad going only to owners of the brand, such an advertising effort does not contain the normal problems connected with defining accurately an advertiser's target audience.

In most cases, we do not see the inability of an advertiser to identify his audience accurately, and to reach it with precision, as a serious issue. The capacity to accurately identify his audience would provide the advertiser with an incentive to develop improved ways of identifying and reaching his intended audience. However, we are not concerned, except in the case of special audiences, with "waste circulation"; that is, the unintended viewing the ad, or the intended not doing so.

Special Audiences

The problems associated with special audiences can be divided into two groups: (1) those best dealt with by self-regulation; (2) those in which government should be involved.

In the hearings, stereotyping was of concern to spokesmen for ethnic minorities and women. As indicated in Chapter Six, we deplore such stereotypes. Indeed this is an area where self-regulation can prove its effectiveness. We want this report to contribute to an enhanced sensitivity, on the part of the industry and its self-regulatory bodies, to issues of stereotyping.

Based upon an extensive discussion in Chapter Six, we do not believe that the other problems of special audiences will be solved by the action of industry alone. First, let us discuss the child audience, with specific reference to television.

The young child in America spends a great deal of time watching television. Consequently, the medium has developed special offerings to appeal to him -- notably, "Saturday-Morning" television. As we stated in Chapter Six, there is only a limited amount of existing evidence regarding effects of television on young children. What evidence does exist, however, is internally consistent and agrees with laboratory evidence. Children, six and under, have less capacity to discriminate, both perceptually and cognitively, than do older children. These younger children discriminate less between advertisement and program. They are not warned by the cue, "a commercial." They are more credulous and less able to sort the relevant from the irrelevant.

Given that these young children do not discriminate between ad and program, what should be done? Proposals have ranged from placing a ban on children's television to making no change and continuing with the present system. We believe that each of these extremes is too simplistic. To provide an adequate answer to the question, we must make some judgment about the effects of advertising on the child. We must, also, deal with the heterogeneous viewing patterns of children.

We believe there is less of a problem with children six years and over. An adequate answer must reflect the fact that these children will view television, in any case, and advertisements may be a factor in teaching them how to be consumers.

There is, also, the question of parental responsibility. If television advertising is injurious to young children, should we not expect their parents to prevent them from watching it? Or, should parents be expected to make use of television time by employing it to teach their children the arts of buymanship? Are mothers irresponsibly using television as an electronic "baby sitter?" At one time, our society looked upon the unemployed and the aged as being irresponsible because they did not provide for themselves. Sensing an analogous shift of values here, we believe that there is a substantial desire for the government to accept this responsibility for it to limit the possibility of the young child viewing television ads.

We propose the following. First, evaluative criteria should be rigorously applied to all advertisements broadcast during the "children's programming" hours. Truthful ads can contribute to developing a child's ability to make good consumer decisions; untruthful ones, cannot. Completeness should be applied to ensure that comparatives are not abused, and that qualifiers (where applicable) are clearly stated. Intelligibility should be applied to ensure that ad content (particularly qualifiers) is understood by the child audience. Relevance should be applied to the appeals used.
The relevance criterion will be more difficult to apply to children,

however, because their cognitive structures are less sharply differentiated than adults. The use of testimonials and self-concept appeals should be discouraged in such advertising.

Second, we believe that the broadcaster should make the distinction between program and commercial more perceptible. A brief, video signal (as used in Britain), and perhaps an added voice-over, would make this distinction clearer. Also, we believe that the program personalities (cartoon or otherwise) should not be used in the commercials.

The issue of advertisement-free programming for young children is controversial. We believe that the primary responsibility for controlling the viewing habits of younger children lies with the parents. However, we believe that the networks should aid parents in their task of selecting what their children should watch. Thus, third, rather than a complete advertising ban, we believe there should be a period of time (one hour seems appropriate) set aside on an experimental basis by each network staggered on Saturday mornings when programs to the very young (under six years of age) should should be shown for three hours without commercial interruptions. We recognize the progress which has been made in this area. Programs, such as "Sesame Street" and "Mister Rogers," are network in terms of their availability; and, they offer the type of commercial-free choice we are concerned about. However, our proposal is much broader in its implications.

By clearly announcing this advertisement-free period, parents concerned about the effects of advertising to young children would be able to ensure that their children could watch television without being exposed to advertising. This is an ideal. Even on an experimental basis, there would be problems of implementation (such as preventing local stations from "cutting in" local advertising). However, the experiment would provide an opportunity to find out to what extent the parents did take advantage of such an idea. For those parents who do not take advantage of such an advertising-free television period, we could find out why, and develop a better policy if such seems called for. This approach would, also, avoid the networks presenting an image of intransigence -- an image which is not appropriate for an industry so visibly impinging upon the public interest.

In Chapter Six, we stated that the needs of the poor and the disadvantaged were a special case of a general information gap. One gap in the consumer's knowledge is how to go about lodging complaints, and to seek satisfaction for grievances. How many consumers know about the Direct Mail Advertiser Association's "Certified Service?" How many know about the American Advertising Federation--Council of Better Business Bureaus local advertising review boards? How many know of the National Advertising Division of the Council of Better Business Bureaus and the National Advertising Review Board? The sincerity of industry's self-regulatory efforts remains difficult to judge as long as consumers remain ignorant of their availability. We believe that more efforts should be made to close this gap: to make consumers, in general, and the poor and the disadvantaged, in particular, more aware of the mechanisms that have been established to seek their feedback.[6]

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[6] The Commission's "Consumer Alert" on recourses is a splendid example. The Marketing News, American Marketing Association, December 1, 1972.

We believe the Advertising Council could make a great contribution in this area. We are delighted that the Council has developed, and is executing, an advertising campaign urging consumers to make use of the local Better Business Bureaus.

Implementation

The criteria have a number of current implications for public policy. We believe that their future implications will be substantially stronger and more comprehensive than they are now. They do not necessarily imply a more stringent policy, however, in the future. Let us develop these current implications.

Ad substantiation is an effective way of implementing the truthfulness criterion. However, the continuing ad substantiation program, as applied to particular industries, must be distinguished from the ad substantiation requirements imposed upon a particular company.

The ad substantiation program should be reviewed in order that the experience gained from it can be utilized fully in future activity.

Some criticize the FTC's substantiation program saying that the consumer does not want the information. A trade-paper reporter recently wrote, "Consumers apparently aren't greatly interested in obtaining reports of claim substantiation, if Colgate-Palmolive Company's experience is a good example." Colgate-Palmolive had advertised the availability of a forty-three page report, from a private testing laboratory, which stated that Ajax was superior to competitors on certain dimensions. Only 300 requests for the pamphlet had been received in the first three weeks. Several thoughts can be raised about the validity of the reporter's conclusions. First, being able to obtain the report may, in itself, have favorably affected the consumer's judgment of the brand. Second, forty-three pages is extensive reading. (In this case, the laboratory required that the company make available the entire report.) Advertisers often refer orally to instances where consumers have refused to read ads with relevant information; but, systematic evidence to support these statements is lacking. We believe that supporting analysis is often a sample of the total population, instead of those who are "in the market" for the product class, so that much of the sample does not need information.

Individual substantiation should be a widely-used practice, and the information should be in relevant terms. We believe that the consumer will be well served by such substantiation. Industry will also learn more about the true needs of the consumer, as well as how to avoid regulations. Mr. Choate writes, "Substantiation" cannot deal scientifically with the attractions of a toy, the sound of a record, or the smell of a drink."[7] We believe that, in most cases, it is possible to make adequate measures of these subjective phenomena. However, it is more difficult with younger children.

As it is not feasible to require all probable violators to substantiate, we recommended that cases be selected at random in order to keep the offenders "off guard." We believe that using 'the biggest' or 'the most flagrant' advertiser to serve as examples, in establishing the principle of requiring certain ads to be substantiated to others, is not as effective as taking a more direct "fear-of-getting-caught" approach. A random selection should increase the effectiveness of proceeding against individual companies.

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[7] New York Times, September 17, 1972, p. 15.

Corrective advertising should be continued until better evidence is obtained, regarding its relative merits, vis-à-vis other procedures for improving truthfulness. There may be cases where corrective advertising is a more appropriate remedy than ad substantiation. For example, where the untruthful ad has been especially effective in misleading the consumer. Such conjecture, however, should not be the basis of policy.

Finally, some arrangement is desirable to bring together, intermittently, over an extended period of time, representatives of industry, representatives of consumers, and representatives of the Commission. We believe that consumer advertising is an element of a vital socioeconomic process, which transmits technology to the consumer and creates investment opportunities that add to the level of employment. Also, we believe that advertising can serve the consumer much more effectively than it does at the present time. The cost of tinkering may be high, but the benefits could also be high. We think the case-by-case approach is too slow, too piecemeal, and leads to too much uncertainty for industry, and to too much delay in meeting the consumer's needs. This examination could not only develop better ways of regulating advertising, but it could serve to codify existing rules.

The Commissioners displayed imagination, and a sense of honest inquiry, in holding the hearings. Industry, also, is to be complimented for investing resources in order to effectively explain to the Commission how advertising functions. The hearings served to correct some false premises on both sides. We recommend that this productive effort be extended over a period of at least three years, and perhaps five years.

The innovations in policy, represented by the Commission's responsiveness to consumerism, have raised many problems that could be partially alleviated. We must always expect some tension, however, between the regulated and the regulator. Once consumer representatives understand better the nature of the industry, and the constraints it imposes upon management; and management representatives better understand the consumer problems; and both better understand the Commission's problems, we believe that each can make constructive recommendations as to how regulation can contribute to the consumer's information needs. By using the concepts of Chapter Four, the interested parties can separate value from fact, and discover whether it is value that separates them, or assumption about fact. Some fact questions may be answered on the spot. Where this cannot be done, more research is necessary. We are confident that new, more effective ways of regulating can be developed. The "cooling-off period" in sales arrangements is an illustration of how to deal with a problem that would have been difficult, if not impossible, to attack directly. For example, prohibiting the salesman from practicing high-pressure tactics. Analogous kinds of solutions might be created for advertising.

The arrangements should be systematic and formalized. The organization should be a joint, permanent, full-time staff of three responsible people. These people would report to the Director of the Bureau. They should be housed in the FTC building. One member should be a regular Commission employee of status; another should be a respected member from the public or consumer side and, perhaps, financed by outside foundation or government funds. The third person should be from industry, and paid by industry -- perhaps an experienced product or marketing manager.

The function of this unit is to structure the problem of regulating advertising so as to bring to bear current ideas, and a flow of research findings. The group should be free to bring in the variety of experts needed. The results of the ad substantiation program could be vital grist.

The goal of the unit would be to determine fully, as the criteria are implemented, the probable consequences of the criteria of optimal conditions of information for the consumer. It would determine the extent to which the criteria are consistent with industry's interest. Therefore, with development and education, the findings of the group could become self-enforcing. An important question is how their policy implications can be implemented, without damaging the socioeconomic process of product innovation.

Every three months, the staff should report to a committee composed of the Bureau Director, public representatives, and second-level corporate executives from the advertisers, the agencies, and the media. Every six months, it should report to the Commissioners -- a selected, continuing group of public representatives and chief operating executives of corporations in the industry (advertisers, agencies and media).

The Commission has several mechanisms[8] available for administrative interpretations of the statute. One or more of these might be used to carry out the joint Commission - consumer - industry program proposed here, as well as the regulations that would emerge from it. We do not know the advantages and disadvantages of each mechanism, but we are confident the Commissioners do.

Education of the Public

The Commission should formulate policies for developing a consumer education program. The role that Congress and court decisions have assigned the Commission is not understood by the public. The Commission is severely handicapped in its relations with consumers because of its adjudicative role. For this reason, some would question whether the Commission should concern itself with explaining its programs to consumers, and other members of the public. We believe it should.

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[8] 80 Harv. L. Rev. 1005 (1967) "Developments in the Law--Deceptive Advertising," mentions "Trade Practice Rules, Trade Regulation Rules and Guides." In some cases, advisory opinions may be available.

The Commission, because of its great consumer activity and visibility, receives many complaints. Most involve issues at the local level, such as retail advertising. Only a small proportion of consumer complaints are directed at national brand advertising. If its area of jurisdiction were better understood among consumers, it could be more effective. It would, also, be criticized less by consumers for being ineffective.

The FTC regional offices currently devote more effort to performing useful functions in relating to consumers on a local basis than they did in the past. This effort should be strengthened.

Public addresses by Commission and staff members contribute immensely to achieving closer relations with consumers. However, these do not provide the systematic consumer input to Commission thinking that other ways do.

In addition to the general public, the work of the Bureau could be facilitated and improved if a sophisticated segment of the public understood its problems; for example, home economists, high school teachers of consumer courses, and interested university faculty members, particularly in economics, law, and marketing. These should be considered a technical advisory group. Arrangements should be made to relate them to the activities of the Bureau of Consumer Protection. The receptivity to new ideas that we have seen among members of the staff causes us to emphasize the potential of this relation. Annual meetings with the Commissioners could further serve this function. Perhaps the group should be divided into specialist committees, and work on a committee basis.

As with most regulative activity, industry groups tend to be better organized, and supported with greater resources, than are consumer groups. The annual budget of the Consumer Federation of America, for example, is infinitesimal compared to many of the industry groups. As a consequence, industry organizations have more technical expertise and can be more useful than consumer groups in giving technical advice.

We appreciate that increased effort has been devoted by the Commission to increasing the amount and nature of contacts with the consumer groups. We believe that this effort should be intensified.

Operating Research

Congressman John D. Dingell pointed out (T6) that Congress, in creating the Commission, envisioned both formal adjudicative powers and fact-finding functions. He noted that the Commission's Bureau of Economics has come to be "recognized as one of the federal government's leading gatherers of information relating to economics and trade practices." By implication, the Commission has not done as well on the consumer side.

We recommend that a behavioral research department be established to help provide answers to immediate operating problems. Operating and basic research can be roughly distinguished, according to the criterion of immediate usefulness. Operating research is intended to be immediately useful in helping to provide answers to operating and planning questions. Basic research is to develop knowledge that can be used, at some future time, in answering operational questions. Operating research could take a number of directions.

One of the most difficult questions is: "When is a claim a claim?" We believe that this question could be answered by a small survey of consumers. The general idea of the question, simplistically stated, would be: "What claims about the brand does this ad convey to you? The response would be a measure of information retained. Obviously, there are technical questions of sample size, reliability, and validity; but, reasonable rules concerning such can be worked out.

Having introduced one area of operating research to provide some sense of the intended meaning of the term, let us examine one of the problems relating to Commission policy with respect to information. If the Commission frequently subpoenas company market research, and uses it as evidence against the company, will companies reduce their research efforts? We believe a company should be free to use its own judgments, with respect to the risk it takes. If it wishes to make decisions on less information, it should have this option. If it believes the research is likely to be subpoenaed, and used as evidence, it may feel it is necessary for it to go beyond what it would do in terms of its own needs. When a company makes a risky decision, and finds it wrong, it can (to a substantial extent) contain the undesirable effects of the bad decision. This capacity is shown in new product development by forms of concept-testing, test-marketing, and national "roll-outs." In some cases, only the company can have relevant data; for example, if the point at issue can be evaluated only by data from the more distant past, from a time earlier than when the case was being brought. Research, which provides only data current long after the event, may not be helpful. How frequently the Commission's needs for past or current data would be evidenced is something we do not know.

At some point, operating research should be applied to deception. We believe that it is unwise for the Commission to continue to rely solely upon its court-endowed expertise in the area of truthfulness. Even if the defendants do not begin to bring forward empirical evidence on deception (which we suspect they may), the use of judicially conferred expertise may arouse suspicions which more objective evidence would avoid. We believe the Commission has not been questioned for two reasons: first, because of the strong moral support in American society for the principle of truth, which will not apply to the other evaluative criteria; second, the cases in most instances have been fairly obvious. The public will demand increasingly stringent enforcement. As this occurs, borderline cases will multiply.

Operating research should be applied whenever relevancy of information is an issue. As the Commission has moved to require the advertiser to take a more affirmative role (as in the case of octane ratings in gasoline, and the care of clothing, in the case of apparel), the question of relevancy has become more significant. Because operational criteria can be developed for a particular product class, operating research is feasible. The issue of relevance may become sharper if substantiation of self-concept advertising is required.

For all other criteria of optimal conditions of consumer choice that we have recommended, operating or basic research will be required in developing the necessary objective subcriteria.

Food and Drug Administration

"The apparent intent of Congress was that the jurisdiction of the two agencies (FTC and FDA) be mutually exclusive... The courts, however, created a broad area of overlapping jurisdiction... The FDA regulates the labeling of food, drugs, and cosmetics, and the advertising of prescription drugs. The FTC regulates the advertising of food, non-prescription drugs, and cosmetics, together with the advertising and some of the labeling of other products."[9] A formal arrangement has been developed between the two agencies to exchange information whenever there are overlapping problems.

With the growing emphasis upon diet and modern foods, labeling -- especially among foods -- has become an increasingly important item. As advertising is judged more and more in terms of the consumer's total information requirements, jurisdictional problems may be sharper. For example, the application of the completeness criterion to a food or drug manufacturer's communications program would require a considerable amount of coordination between the FDA and the FTC.

Federal Communications Commission

The Federal Communications Commission is responsible for the programming of broadcast media. The Federal Trade Commission is responsible for advertising on the program.

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[9] *Ibid.*, pp. 1116 and 1119.

Advertisers believe, with some evidence, that the media program content influences the nature of advertising effect. We do not see this as a major problem in obtaining optimal conditions of choice for the consumer.

Executive Office

The Office of the President, through its Office of Consumer Affairs, has exerted substantial influence in shaping federal consumer policy. Its function has been to explore the nature of the consumer problem, and to strive to exercise political leadership in this area. The Office has served a useful purpose in contributing to optimal conditions of choice for the consumer.

Role of Legislation

Should the industry not cooperate in the arrangement to bring the Commission, consumer representatives, and advertising industry representatives together in a formal, joint, continued examination of the consumer problem as related to advertising, or if the Commission finds itself unable to perform this assignment, the spirit of the consequences of the recommendation should be embodied in legislation. The potential of these discussions is more difficult to obtain legislatively than by the Commission. The issues are subtle, not well understood, and wide differences sometimes separate the three parties. Nevertheless, we believe that Congressional procedures could be used here. Our optimism springs from the fact that Congressional procedures carefully applied were effective in formulating the Investment Company Act of 1940 for another industry.[10] The advertising by industry, as a whole, is not in as much disrepute as were the mutual funds; but, there is the common element of the low credibility of their advertising.

We believe there is a need for something like the Moss Bill (S.1753), to finance essential basic research in those aspects of consumer behavior that bear on the issues discussed here. We do not believe that sufficient funds will be available from private sources to carry out this task. The implications of this need will be discussed in a later section.

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[10] "The Investment Company Act of 1940, which established the present framework of regulation by the Securities and Exchange Commission, restored confidence in this type of financial institution, which had been severely damaged by the Great Depression experience. At the end of 1940, less than 300,000 stockholders in 68 funds held about $540 million worth of shares. From this small base, the growth record has been phenomenal." (Assets of 600 funds by the end of 1971 had reached $55 billion owned by about 5 million stockholders. Murray E. Polakoff et al., Financial Institutions and Markets (Houghton Mifflin Co., Boston: 1970), p. 196.

"The Investment Company Act of 1940 was indeed a milestone in the history of investment companies in the United States. It cleared the atmosphere; it codified the rules of the game. Public confidence began to return." Hugh Brellock, The Story of Investment Companies, (Columbia University Press: New York, 1959), p. 97).

"The beneficial effects of this development (passed in the Investment Company Act of 1940) on the investment company business have been compared with the many changes in New York insurance laws brought about by the 1905 Armstrong investigation of life insurance companies by the New York State Legislature." Investment Company Institute, Management Investment Companies, prepared for the Commission on Money and Credit (Prentice Hall: Englewood Cliffs, 1962), p. 15.

We hope that the members of Congress will continue to monitor the consumer situation as it evolves in order to avoid crisis legislation. Unfortunately, consumer interests are diffuse and of low salience. Any individual is typically more concerned about his job -- his productive effort -- than he is about his consuming activities. He typically works at a single job, but he consumes many products. Consequently, he tends not to organize as a consumer and not to support legislation in this interest. Only when consumer activists work through the press to raise the salience of the issue, and thus widen the scope of the conflict among the various interests, does action tend to occur. Individual legislators perform this activist role as do non-legislators.

Judicial Procedure

Generally, the judiciary is beyond the scope of this report. Its strong role in shaping consumer policy, however, was seen in Chapter Seven.

Role of Consumer Interest Groups

The formation of many consumer groups in recent years, as well as the strengthened Consumer Federation of America, has endowed the consumer with increased effectiveness in pursuing his goals. But, consumers are not well-organized, and it is difficult to reach them with relevant information which can strengthen their efforts.

> The major disappointment (with the ad substantiation program) has been the apparent failure of consumers, competitors, public interest groups and others to take advantage of the availability of the documentation submitted for study and analysis. Unless these groups come in and scrutinize the material and convey the results to the public, the stated twin objectives of education and deterren(ce) simply will not materialize.[11]

[illegible]t handicaps to effective political power that consumers [illegible]ffusiveness and lack of salience -- could be overcome substan- [illegible] greater organization.

[illegible]mass media are helpful. But mass media depend upon the [illegible] which is, by definition, temporary on any given issue. [illegible] are unaware of the efforts of some companies to deal effec- [illegible] consumer complaints. If they were aware, their attitudes [illegible] company could become more favorable. And, thus, the company [illegible]warded. As it is, the company's incentive to provide these [illegible] greatly reduced. The market system does not operate [illegible]

[illegible]ier, we stressed the need for an underlying rationale to [illegible] efforts. We believe this lack of a philosophical basis has [illegible]dicap to consumer organization. Throughout this report, we [illegible]sized the consumer choice aspect of that rationale. It is [illegible] important. Implied in the rationale is the role of the [illegible](as a countervailing power) in achieving equal status with [illegible]nd labor to exercise freedom. The consumer's powers are not [illegible] to give the Commission the support -- particularly, the consistent and stable support in Congress -- that is needed to offset other interest groups, and to provide a framework for the Commission to perform most effectively.

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[11] [illegible] Skitol, "What is an Adequate Substantiation?", A.A.A.A. [illegible] Annual Conference, New York City, June 5, 1972, p. 5.

Industry's Role

There are at least two aspects of industry's role: first, what each company can do individually to further optimal conditions of choice for the consumer; second, what companies organized together can do.

Each company, acting alone, can have a substantial effect upon optimal conditions of choice for the consumer. The consumer orientation implied by the marketing concept, however, is more complex than one might have thought a decade or two ago. First, except for the existence of some contrived alternative, the consumer can only communicate about his feelings by his purchasing behavior. If what he wants does not appear on the market, he has no opportunity of rejecting or accepting it, and showing his preference. Second, if it does appear on the market, given the current state of market research practices, it is by no means easy for the seller to discover why the consumer has accepted or rejected the product.

One of the contrived ways for the market mechanism to be supplemented is for the consumer to write a letter to the company. However, only a small proportion of consumers will do this. Company organization has not always been conducive to encouraging such actions. Why should a brand manager spend time worrying about the letter when the problem is probably in the factory? And, further, there is no reward -- no incentive -- for the brand manager to concern himself with consumer mail ... better to put his effort to activities that pay off, in terms of his professional goals. This lack of incentive for attention to consumer needs is less true of new products than of ongoing products.

In recent years, however, some companies devoted substantial effort to developing an effective complaint-handling procedure. A major package-goods company reports that it received 114,000 letters in 1971, as compared with 87,000 in 1961. About 40,000 of these in 1971 were complaints, which the company estimated averaged about one complaint for every 150,000 packages sold. A staff of twelve people answer these letters. "Once a week a full report on incoming product complaints is sent to each product division, along with samples of any defective products ... overall, the mail, both inquiries and complaints, is much more specific and sophisticated than it was a few years ago."[12] More specifically, monthly reviews of product complaints are made for each brand, with copies going to the brand manager, his superior (the marketing manager), the vice president of marketing services, and others. If there is an increase in complaints, the report is reviewed by the marketing manager with the brand manager. At that time, the two attempt to work out a satisfactory solution as quickly as possible.[13]

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[12] General Foods and the Consumer, a report to the Senate Commerce Committee, June 30, 1972, pp. 21-22.

[13] Personal conversation.

Another feedback to management on how well the company is serving the consumer's requirements can be market research. However, we believe that, in its current state, market research is not as useful in this role as it might be. First, this is not generally viewed by managers and researchers as one of its functions. Second, market research has been weakened by the lack of a theoretical underpinning to provide the manager and researcher with a way of articulating the consumer's information needs. We believe the specialization of labor -- particularly between the client, the agency, and the media -- demands a better articulation of the nature of the consumer than has been true in the past. This fuller articulation can become the basis for improved market research, and better feedback to management.

Third, some observers believe that market researchers have less interaction with management today than they did a decade or so ago. As one puts it: market research has become institutionalized. There has been the rise of extensive mathematical techniques, the technician is unable to explain to laymen how these techniques work, nor is he able to persuade management to leave such details to him to worry about. This problem is not unique to market research. It characterizes all relations with the specialist in an organization.

Fourth, higher management has not thought through what it does, and should expect of market research and how to evaluate it. There are some indications, however, that higher management is now recognizing the problems and thinking about solutions.

Fifth, ad agencies are playing a decreasing role in market research. The client has tended to take over this function, and to turn more to outside suppliers for data collection. For many companies, this is a learning period.

Finally, unless this market research feedback is supported by the company's incentive system, its implications for action are likely to be ignored.

Joint efforts by companies contribute, in a major way, to the consumer's optimal conditions of choice. The outstanding example may be the National Advertising Review Board. It currently exhibits substantial growing pains, illustrated by its early unwillingness to make its findings and results public (even to the industry), as a guide to those people preparing ads. If it should develop effective procedures, it could contribute substantially to relieving the burden of the Commission. It can clear out the underbrush of mild deception. It can aid in bringing to industry a growing understanding of the need to regulate advertising.

We wish to make two points on the role of self-regulation: first, the National Review Board is likely to have a major impact only insofar as there is a strong Commission policy operating. Second, as the procedures now provide, the extreme cases will have to come to the attention of the Commission.

We believe the future of the industry depends upon developing credibility for advertising. Because the industry has so much to gain, we urge that its leadership cooperate with the Commission in developing a set of norms for the criteria of optimal conditions of choice. These standards should clarify existing regulations and other issues discussed in connection with enforcement of commission policy. Such standards must be worked out with great thought and care.

The Better Business Bureaus, national and local, have been rejuvenated and are better-supported. Their efforts to monitor consumer plaints, and to analyze them in meaningful terms, can provide essential information to all interested parties, reduce the conflict among the interested parties, and encourage rational policy-making. If effective, they can be especially useful at the local level, where most consumer complaints arise and where they must be dealt with. We have the impression, however, that local advertising review boards are not being established as rapidly as is desirable.

Finally, the advertising industry (through its Advertising Council) has, for many years, run public interest campaigns of great variety, magnitude, and skill. Its current campaign, urging the consumer to consult his local Better Business Bureau when a problem arises, could be a significant aid to the Commission in providing optimal conditions of choice for the consumers. Whether the Better Business Bureaus have the necessary machinery established, and whether their criteria will be adequate, remains to be seen. They have accepted a difficult assignment.

State and Local Governments

State consumer agencies have, with exceptions, become increasingly effective. Some states have installed "hot lines," where consumers can call toll-free and register their complaints. In some large cities, consumer agencies indicate the contribution that can be made in strengthening consumer protection. The greatest number of consumer problems exist at the local level. As indicated in Chapter Two, a large proportion of advertising is local advertising. There would seem to be great opportunity for the three agencies -- the Commission, the state, and local units -- to cooperate on particular cases. The local agency can, through cases and attendant publicity, render the consumer's information problem more visible and salient. This can stimulate the activist (both in and out of Congress), and the development of consumer organizing activity.

Basic Research

Recurring themes throughout the report have been (1) our limited understanding of advertising effects upon the consumer, and the corrollary; (2) the need for research. Such research would narrow the differences in views, because most of the differences seem to be matters of fact, rather than of value. It has been our persistent premise that better research will cause companies to exhibit advertising practices more consistent with the consumer interest because they will find that it is to their own interest to do so. We believe that companies have been misled by the undue stress on the recall criterion for evaluating ads. The truth of this premise must be verified.

To create this body of research is a task of major magnitude. Since the Commission is an operating agency, we do not believe that it is their role to finance this research. But, we do believe that the Commission should encourage the research by cooperating in every way possible, other than by offering financial support. In some areas of basic development, the underlying disciplines of economics, psychology and sociology will be required. Sums will be required that only the federal government can provide over a substantial period -- perhaps two to three decades. This is why we are sympathetic to Senator Moss' proposal to establish a National Institute of Advertising, Marketing and Society.

The surface has hardly been scratched. We have presented a theory of consumer behavior, and formulated evaluative criteria in terms of it. This is an important and essential first step. Yet, we cannot even classify ads in any systematic way: An ad is an ad is an ad. The ability to classify ads is an essential condition to comprehensive, systematic application of consumer theory to policy problems. There will be many institutional barriers, both inside and outside government agencies, to this kind of research. First, it must have a strong, applied tone, and applied work is not looked upon favorably. Second, because it will require the development of basic behavioral science ideas, there will be opposition to its being done in the context of marketing. Third, because of the academic unrespectability of advertising as a research topic, there will be more opposition. It is essential that this research be accomplished quickly in order to enlist some of the best scientists from the basic disciplines.

We can be optimistic that rapid progress can be made. In most areas of science, an underlying theory has proven to be essential to quick development. Progress, in empirical research of the past decade, is largely summarized in the structure of consumer behavior, described in Chapter Four. This structure provides that essential underlying theory. This report puts that theory to work on public policy issues of advertising. It is not complete. But, it puts the parts together, and it has been tested enough to indicate that it has a substantial degree of validity. The power of this overall organizing framework, represented by the theory, is illustrated by the discussion of advertising repetition in Chapter Five. It was shown that the effects of repetition depend upon a variety of conditions. These conditions can be specified within the theory. We believe that this complexity is the typical condition when advertising is studied in the natural market setting, as opposed to the laboratory.

The task is two-fold. First, it is necessary to develop an understanding of human response to communication in a real-world market environment. Second, the criteria for evaluating ads in terms of this behavior must be made operational. These are the intuitive links in the means-end chain of values that constitute our philosophical rationale. These must be replaced by explicit links.

We now examine the nature of the research task in terms of specific major areas; however, these are more illustrative than comprehensive, and are described in lay language instead of scientific terms.

Advertising and Motivation

One of the most serious charges against advertising is that "it causes people to buy things they don't need." In a society which places a high value on individual freedom, we interpret this charge to mean that, as a minimum, advertising stimulates consumers to buy more of a product class than they otherwise would. If this is not so, the problem of regulating advertising can be substantially delimited for the normal consumer. If it is so, the problem becomes more complex. The answer is important.

When the research issue is defined in these more concrete terms, we believe it can be answered without great difficulty. Current methodology is adequate.

If the research issue is broadened, however, to deal with such a statement as "advertising causes the consumer to be more materialistic," it becomes more difficult -- and, perhaps, impossible -- to research with available methodology.

Consumer's Defenselessness

It is often alleged that consumers are defenseless against advertising and, as a consequence, they are victimized. In Chapter Four, it was our conclusion that consumers are remarkable "tuner-outers" of the irrelevant. Consumer victimizing, therefore could arise only under a peculiar set of conditions. It is conceivable, however, that television-viewing is characterized by those peculiar conditions. Because of the importance of the issue and the pervasiveness of the belief in it, we believe it deserves high research priority.[13]

What are the conditions that might render the consumer defenseless? Some need -- such as the sight of an empty coffee jar -- can trigger the relevant set of motives, and these interrupt the ongoing act, at least temporarily. Here, we are speaking of the same mechanisms that operate in terms of the criterion of timeliness. If the relevant set of motives is triggered and if the motives are of low absolute intensity, the consumer will take information into his long-term memory, even though the information was irrelevant to the original task. Implied is that this would occur only when the motives energizing the ongoing act were also of low intensity; in other words, when the person is in a relaxed state. Otherwise, they would not be replaced by a set of low-intensity motives in his hierarchy. Taking in irrelevant information is the essence of the latent learning controversy that raged in experimental psychology in the 1930's and 1940's. The issue was whether or not people could learn -- take in information -- when they were not rewarded for learning. Dr. Krugman referred to "advertising by emphasis" which is with "similar, inexpensive and less involving" products (T208). He indicated that, under these conditions, advertising might cause a consumer to buy an "unwanted product." To explore the significance of latent learning, for the problem of whether television advertising causes consumers to take in irrelevant information, is a major research undertaking.

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[13] For another view of this issue, see Sadaomi Oshikawa, "Learning and Behavior Without Awareness: Their Implications to Consumer Behavior and Sovereignty," California Management Review, Summer 1970, pp. 61-69.

Vulnerabilities of Children

Research should be continued and expanded in the effects of television advertising on children up to age twelve. As we have indicated, the children, age six and under, concern us the most. We believe this age group deserves the most attention.

Researching children, especially those six and under, is difficult. New, more rigorous methodologies must be developed.

Deception

We believe that normal adults are, to some extent, capable of protecting themselves from deception. There is some evidence that, although consumers may take in less dependable information, they are less affected by it than they are by dependable information. To know more specifically what this level of self-protectiveness is, would be useful in designing policy. Also, it could remove the necessity for the Commissioners to call upon their court-endowed expertise. We believe this would render the decisions more palatable to some. But until better scientific evidence is available, the use of the court-endowed expertise is essential.

Substantial related research has been done in the area of credibility. New methodology enables us to deal with complex systems. These should facilitate the development of new knowledge in the deception area.

Information Needs of Consumers

Research effort should be directed to the broad issue of the information needs of the consumer. We tend to view the problem in a quite restricted sense; for example, the truthfulness of advertising. We need a broader conceptualization from which to work. For example, with CATV developing, we need to evaluate its role in supporting optimal conditions of choice for the consumer. It is a problem in the sociology of communication.

Summary and Conclusions

In the first part of this final chapter, we developed our recommendations for the Federal Trade Commission. For the benefit of the general reader, and to provide perspective, we examined the Commission's regulation of advertising in the context of other agencies -- governmental and non-governmental -- that can also contribute to providing optimal conditions of choice for the consumer.

Let us summarize our recommendations. We presented six criteria which should serve as the basis for evaluating advertising. The example we used was set forth in the context of the relevancy criterion, because we believe it is -- at present -- the only fully operational criterion of the set. Other criteria will require operating research, and even basic research to render them operational. Only truthfulness is completely within current rules as a regulative criterion. We believe its application should be extended to self-concept ads. Completeness and relevance should, as is current practice, be used in a limited way to support the application of the truthfulness criterion.

The younger child -- six and under -- constitutes a special audience We recommended that the criteria be rigorously applied to television advertising to this age group. Accuracy of target audiences may raise particular problems here. We recommended that a signal indicate the shift from program to commercial, and that each network should experimentally make available a one-hour program each Saturday morning free of commercials. The free hours should be staggered among the three networks, to provide three continuous hours of viewing free of commercials.

As for enforcement of advertising rules, we believe that cases should be selected at random. Corrective advertising should be continued, at least until it is determined whether it is more or less effective than ad substantiation. Finally, assuming consumers and industry will cooperate (and we are confident they will), the Commission should provide a vehicle whereby the Commission, consumer, and industry can evaluate current ways of regulating advertising. Its objective would be to determine the consequences of applying the criteria of optimal conditions of consumer choice.

We discussed how such a body should be organized, but we leave open the particular legal form that its recommendations might take.

Greater attention should be given to public education in terms of the general public, a small sophisticated public, and organized consumer and industry groups.

The Commission should institutionalize its receptivity to behavioral research by establishing a well-staffed, operating research unit analogous to the Bureau of Economics.

Aspects of advertising mentioned by others have not been touched upon. For example, we do not believe problems of intrusiveness and clutter should be dealt with by the Commission. The question of whether or not advertising is productive is often raised. We believe that it can be in a social sense and usually is, though substantially less than it might be. Advertisers sometimes complain that advertising is criticized when, in fact, the product is bad, not the advertising. Mr. Weil stated that it was "the confusion of the advertising with the product" (T1949). If so, the advertising may have promised something the product cannot deliver, and the advertising deserves to be criticized.

Let us turn now to the issue of coordination between various agencies, with an interest in the consumer's conditions of choice. The cross-agency perspective is one way of looking at the problem, although we believe it will be increasingly important in the years ahead. Another perspective stressed repeatedly in the hearings, and described in Chapters Three and Four, is that advertising is only one element of the marketing mix. Other elements, such as price, salesmen, and merchandising, influence the consumer. We urged that in the regulation of advertising, the consumer's total information requirements must be considered -- not just advertising's contribution to them. This, in turn, will require a high degree of coordination between the agencies and institutions involved.

A third perspective is time -- the dynamics of the consumer's information problem. As an example, let us consider food products. In the last two years, new vocabularies have evolved for describing the nutritional aspects of food. These vocabularies are not only words. They provide new dimensions by which the consumer will (and should) conceptualize a food. Who is to be responsible for providing the background information the consumer will need to utilize these new facts? The consumer learning problem will be enormous. In terms of the theory presented in Chapter Four, the nutritional situation poses a case analogous to that of a radically new product. Understanding the dynamics of this process is essential to regulating advertising in such a way as to meet adequately the consumer's information requirements in the face of rapid innovation. It is this motivation process which brings the benefits of technology to the consumer, and creates the investment opportunities necessary to full employment.

To deal with the consumer's conditions of choice, in each of the great variety of situations spawned by the dynamism of modern markets, will not be an easy task. It will demand a higher degree of communication and coordination among interested parties than has previously existed. The FTC's hearings on advertising practices represented a quantum improvement in opening up these channels. It is our earnest hope that this report will further the same end.

February 7, 1973

APPENDIX ONE

Toy Advertising Guidelines
and
Advertising Guidelines For Children's Premiums and Offers

(National Association of Broadcasters)

Toy Advertising Guidelines

(National Association of Broadcasters. Revised Second Edition, December, 1965)

Children, especially pre-schoolers, are highly dependent on the guidance and direction of the adult world around them--television included--for their individual development. Since younger children are not in all situations able to discern the crdibility of what they watch, they pose an ethical responsibility for others to protect them from their own susceptibilities. Recognizing this, the Code Authority of the National Association of Broadcasters issues the second edition of the Toy Advertising Guidelines designed to assist manufacturers, their agencies, and broadcasters in the preparation and evaluation of radio and television commercials.

I. Dramatic Representation

A. Seek

1. To place the toy in a framework of a play environment performing in a way accurately representing the toy.

2. Movements and setting for the toy which a child is reasonably capable of reproducing.

3. To employ the complete and authentic sound(s) of the toy.

4. To employ actions and encourage habits that are consistent with generally recognized standards of safety.

B. Avoid

1. Demonstrations, dramatizations or use of animation that show the toy in a manner that is not authentic.

2. Demonstrations suggesting attributes not inherent in the toy as purchased.

3. Dramatizations from real-life staged without clearly qualifying their relationship to the toy.

4. Overglamorization of the product via large displays, dazzling visual effects, stock film footage, sounds of the toy's real-life counter-parts, whether in real-life simulation or such devices as fantasy.

5. Dramatization of the toy in a realistic war atmosphere.

6. Dramatization which could frighten or scare children.

7. Demonstrations of a toy in a manner that encourages harmful use or dramatizations of children's actions inconsistent with generally recognized standards of safety.

II. Sense of Value

A. Seek

1. To employ price only if it can be supported as the usual and customary price in a substantial number of retail outlets in the given trade area or areas where the advertising is scheduled.

2. To present the toy on its actual merits as a plaything.

B. Avoid

1. Representing the price of a toy in any amount which is not the usual and customary price in a substantial number of retail outlets in the trade area or areas where the representation is made.

2. Oversimplication such as "only" and "just" applied to the price of a toy.

3. Presumptions that a toy requiring a material investment can be had for the asking.

4. Appeals contending that, if a child has a toy, he betters his peers or, lacking it, will invite their contempt or ridicule.

III. Methods of Presentation

A. Seek

1. An approach to advertising which does not exaggerate or distort the play value of a toy.

2. To establish clearly what constitutes the original purchase of the toy, employing, when necessary, positive disclosure on what items are purchased separately.

3. Positive disclosure when items such as batteries needed to operate a toy as demonstrated in the advertising are not included.

4. Positive disclosure as to a toy's method of operation and source of power.

5. Positive disclosure when a toy requires assembling.

B. Avoid

1. Employing irritating audio or video techniques to demand the child's attention.

2. Any implication that optional extras, additional units or items that are not avilable with the toy accompany the toy's original purchase.

3. Costumes and props which are not available with the toy as sold or reasonably accessible without additional cost to the child.

4. Demonstrations which create the impression that a toy comes fully assembled when such is not the case.

Advertising Guidelines For
Children's Premiums And Offers

(National Association of Broadcasters, March, 1972)

The Advertising Guidelines for Children's Premiums and Offers shall be applied to all advertising directed primarily to children which promotes premiums or offers.

1. The amount of time devoted to a premium or offer shall be a continuous segment and shall not exceed one half of the commercial or twenty seconds, whichever is less in length. If the premium/offer is related to and used with the product advertised, its incidental appearance in the product segment of the commercial will be permitted on a case-by-case basis.
2. The premium/offer shall at some time be displayed in a still visual presentation, so that it is clearly depicted.
3. In the premium/offer segment, the use of stock footage, real life counterparts, fantasy or animation is not permitted. In order to maintain continuity, the product spokesman may deliver a lead-in to the premium/offer segment, provided it contains no endoreement or sell copy for the premium or offer. Also for continuity, the voice-over used in the premium/offer segment may be that of the product spokesman.
4. Competitive, comparison and superiority claims for premiums/offers, measurable or unmeasurable, are not acceptable.
5. The number of items shown in a play situation shall not exceed two per child or a maximum of four with two or more children, unless the possession of more by one child can be reasonably supported by the advertiser.

6. Positive disclosure of special information, such as the price or separate purchase nature of the items offered, shall be made in the audio. As deemed appropriate, supporting disclosure simultaneously in the video will be required.

7. If any conditions are attached to obtaining a "free" premium or offer, all the conditions must be clearly and conspicuously disclosed simultaneously in audio and video. The appearance of the word "free" in a video super shall not exceed in size that of the conditions disclosed.

8. Toy Advertising Guidelines shall apply where applicable to all premiums and offers. The applicable Guidelines which have been reworded to reflect their relation to premium/offers are:

A. Dramatic representations should seek:

1. To place the premium/offer in a framework of a child's environment performing in a way accurately representing the premium/offer.

2. Movements and settings for the premium/offer which a child is reasonably capable of reproducing.

3. To employ the complete and authentic sound(s) of the premium/offer.

4. To employ actions and encourage habits that are consistent with generally recognized standards of safety.

B. However, they should avoid:

1. Demonstrations or dramatizations that show the premium/offer in a manner that is not authentic.

2. Demonstrations suggesting attributes not inherent in the premium/offer as purchased.

3. Dramatizations from real-life staged without clearly qualifying their relationship to the premium/offer.

4. Over-glamorization of the premium/offer via dazzling visual effects.

5. Dramatizations which could frighten or scare children.

6. Demonstrations of a premium/offer in a manner that encourages harmful use or dramatizations of children's actions inconsistent with generally recognized standards of safety.

C. The commercial should seek to present the premium/offer on its actual merits, avoiding:

1. Oversimplication such as "only" and "just" applied to the price of a premium/offer.

2. Presumptions that a premium/offer requiring a material investment can be had for the asking.

3. Appeals contending that, if a child has a premium/offer, he betters his peers or, lacking it, will invite their contempt or ridicule.

D. The methods of presentation should seek:

1. An approach to advertising which does not exaggerate or distort the value of a premium/offer.

2. To establish clearly what constitutes the original purchase of the premium/offer, employing, when necessary, positive disclosure on what items are purchased separately.

3. Positive disclosure when items such as batteries needed to operate a premium/offer as demonstrated in the advertising are not included.

4. Positive disclosure as to a premium's/offer's method of operation and source of power.

5. Positive disclosure when a premium/offer requires assembling.

E. The methods of presentation should avoid:

1. Employing irritating audio or video techniques to demand the child's attention.

2. Any implication that optional extras, additional units or items that are not avilable with the premium/offer accompany the premium's/offer's original purchase.

3. Costumes and props which are not available with the premium/offer as sold or reasonably accessible without additional cost to the child.

4. Demonstrations which create the impression that a premium/offer comes fully assembled when such is not the case.

9. The use of certain production techniques in the premium/offer segment shall be restricted and conform with the spirit of interpretations and policies affecting toy advertising.

For example, existing Code interpretations which apply to premium/offer advertising are given below.

A. The use of certain video techniques raises concern under Premium/Offer Guidelines 8-A-1 (accurate representation of the premium's/offer's performance); 8-A-2 (movements which a child is reasonably capable of reproducing); 8-B-1 (demonstrations that are not authentic); 8-B-4 (over-glamorization via dazzling visual effects), and 8-D-1 (distorting the value of the premium/offer.)

These techniques include, but are not limited to, the use of camera angles, special lenses, heroic shots, special lighting, and similar production techniques. Their use becomes questionable when they distort the appearance or performance of the premium/offer such as size, distance, speed, and the like. For example, there should be no confusion and/or misrepresentation regarding the height of a building made with a construction set, the length of a track, the speed of a racing car, the amount of glitter attributed to a dress or jewelry, etc.

Visual representation should be such that they can be recreated by children. Special attention, therefore, should be given to the use of unusual video techniques in order to avoid misrepresenting the appearance and performance of the premium/offer.

B. The cumulative effect of audio and video techniques in the premium/offer segment of commercials may sometimes be strident and aggravating enough to result in their rejection under Premium/Offer Guidelines 8-E-1. It reads: "(Avoid) employing irritating audio or video techniques to demand the child's attention."

Affected audio devices include but are not limited to, music, sound effects, volume level and tempo.

Advertisers and their agencies are urged to employ restraint and discretion in their use of such techniques.

APPENDIX TWO[1]

A Review of Advertising Research

by

Morris Baldwin Holbrook

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[1] This Appendix has its own bibliography (pp. B-45 - B-62) and is not indexed in the subject and author index.

A REVIEW OF ADVERTISING RESEARCH

Morris Baldwin Holbrook[*]

INTRODUCTION

There are several reasons, from at least three different perspectives, why one might be interested in understanding advertising research. First, from a manager's point of view, one might be interested in using advertising research results as an aid to making budgetary allocation decisions. From a second viewpoint, a formulator of public policy might wish to interpret the implications of certain advertising research results as they bear upon key policy issues concerning the regulation of advertising. From still a third perspective, the behavioral scientist might investigate advertising research in an effort to gain a better understanding of the communication process in general.

The purpose of the original study from which this Appendix was taken is to accomplish the third goal. That is, we ourselves are primarily interested in advertising research insofar as it sheds light on the more general process of communication. By contrast, the focus of the present book is directly related to the second objective of providing insights useful to shapers of public policy. Advertising research itself, however, has developed to serve the needs of advertising management and, as a result, has been shaped by the nature of advertising problems. To understand this research, we must therefore begin by investigating the kinds of managerial problems to which it is most often directed.

Accordingly, we shall first provide such a managerial focus in order to isolate key decision areas and decision strategies as the bases for an overall classification of types of advertising research. Using this typology as a structure, we shall then offer an analytic review of the techniques used in specific types of studies of advertising. This review will then be integrated by a more general evaluation of the state-of-the-art in advertising research. Finally, we shall appraise the extent to which such work in advertising modeling and testing can contribute to our understanding of the more general communication process and, conversely, how a fuller understanding of that process might contribute to the more effective design and interpretation of advertising research studies.

MARKET SEGMENTATION STRATEGIES

A helpful perspective from which to view managerial decision problems in advertising is the concept of market segmentation. At its broadest macro-level, this segmentation strategy stems from a "systems" view of the organization which--under the banner of the so-called Marketing Concept--has emphasized the need for customer-orientation within the constraints set by a firm's capabilities. The basic logic underlying this approach asserts that customer needs constitute basic environmental opportunities and that the firm should delimit its sphere of operation by choosing for exploitation those opportunity areas in which it possesses (relative to competition) the critical capabilities needed for success. The constellation of these customer needs which the company selects as its "ecological niche" then defines the nature of its business at the broadest level. Advocates of this way of thinking have included such illustrious spokesmen as Alderson (1957), Ansoff (1965), Gilmore and Brandenburg (1962), Drucker (1954), Kelley (1965), Levitt (1962), and Kotler and Levy (1969a) (but cf. Luck, 1969, and Kotler and Levy's, 1969b, reply). One danger inherent in this approach--and exemplified in part by Levitt (1962)--is that the firm which concentrates too single-mindedly on its customers' wants may overlook the restrictions properly imposed by its own limited capabilities (Saunders, 1965; Oxenfeldt, 1966, pp. 26 ff.).

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[*] The author wishes to express his gratitude to Drs. Leo Bogart and Herbert Krugman who read an earlier draft of this Appendix.

Such a macro-cosmic concept of segmentation in the definition of a firm's business has filtered down to the more micro-cosmic level at which it relates explicitly to the management of individual product versions, and here it begins to have more direct relevance to advertising strategy. Wendell R. Smith (1956) first introduced into marketing the concept of segmentation at the specific product level, distinguishing between what he called "product differentiation" (a strategy in which promotional tools are used to attract the convergence of demand to one product version) and "market segmentation" (a strategy which adjusts product design differentially to the needs of various target segments, subject to limitations imposed by the diseconomies of small-scale production). Perhaps the best modern discussion of segmentation strategies appears in Kotler (1967) who stresses that such strategies involve all the elements of the marketing mix--that is, advertising, selling, distribution, pricing, and so on--in addition to the aspects of product design already emphasized by Smith. In addition to the two strategies formulated by Smith, Kotler considers the possibility of selecting a restricted number of target segments for cultivation. Such "concentrated" or "selective segmentation" has received vehement support from Oxenfeldt (1966, pp. 48 ff.), though Roberts (1961) has pointed out the danger of committing a business to a segment that may be dwindling over time (Brandt, 1966, also stresses this time dimension in segmentation). Meanwhile, Reynolds (1965) argues for a fourth strategic possibility--namely a "variety strategy" which offers a wide array of product variations so as to appeal to as broad a market as possible.

The somewhat confusing discrepancies in terminology between these various writers, as well as the terminology we shall use in the ensuing discussion, are suggested by the following typology of marketing strategies:

A Typology of Marketing Strategies

	ONE PRODUCT OFFERING OR A HOMOGENEOUS MARKETING MIX	SEVERAL PRODUCT OFFERINGS OR SEVERAL DIFFERENT MARKETING MIXES
MARKET VIEWED AS UNSEGMENTED	Smith (1956): "Product Differentiation" Kotler (1967): "Undifferentiated Marketing" Our Term: "Mass Marketing"	Reynolds (1965): "Variety Strategy" Our Term: "Proliferational Marketing"
MARKET VIEWED AS SEGMENTED	Oxenfeldt (1966): "Selective Marketing" Kotler (1967): "Concentrated Marketing" Our Term: "Selective Segmentation"	Smith (1956): "Market Segmentation" Kotler (1967): "Differentiated Marketing" Our Term: "Differentiated Segmentation"

Frank, et al. (1972) recently proposed a further breakdown of strategies falling in the lower right-hand cell of our typology according to whether: (a) they are based on product characteristics or other elements in the marketing mix and (b) they are directed at target segments or are dependent upon customer self-selection. Since, in our view, all meaningful segmentation strategies must consider the entire marketing mix and must be directed at some target segment(s), the classification of Frank, et al. seems perhaps more confusing than it need be. At any rate, when drawing such distinctions, one should remember the point made by Brandt (1966, p. 25) that real-life strategies are not mutually exclusive, but rather fall along a continuum which blurs the neat lines drawn by the kind of typology presented above.

As we shall see below in the case of advertising management, differentiated segmentation provides an ideal, theoretically appropriate model since it simply tells the manager to increase any element in the marketing mix for any segment whenever incremental revenue exceeds incremental cost. We shall find, however, that such an ideal strategy--impeccable though it may be by the canons of micro-economics--is seldom attainable in practice so that an approximate strategy such as selective segmentation is often dictated. Below we shall discuss the differences between differentiated segmentation and selective segmentation as they apply to the management of advertising.

Before discussing advertising management more specifically, however, we should point out that until now we have not focused on what bases are used to define market segments. Abstractly, of course, a segment might be defined as any subset of consumers that are homogeneous on some set of attributes; but in practice there should be some attempt to segment buyers on characteristics that relate to their responses to various elements in the marketing mix and are therefore relevant to decisions under management's control. Oxenfeldt (1966, p. 102) suggests that such dimensions might routinely include demographic characteristics (such as age), socio-economic characteristics (such as income), personality characteristics (such as aggressiveness) and product-specific characteristics (such as usage rate). Similar schemes are discussed by Brandt (1966, p. 26), Frank (1968, pp. 43 ff.), and Frank and Massy (1965, pp. 186 ff.). The most complete typology of bases for segmentation, however, recently appeared in Frank, et al. (1972, p. 27):

	CUSTOMER CHARACTERISTICS	
	GENERAL	SITUATION-SPECIFIC
MEASURED OBJECTIVELY	Demographic Factors Socio-Economic Factors	Consumption Patterns Brand Loyalty Patterns Buying Situations
INFERRED	Personality Traits Life Style	Attitudes Perceptions and Preferences

A controversy has raged within the marketing literature as to whether these characteristics are in fact useful in defining managerially meaningful segments. Frank (1968), for example, reviewed a wide range of studies testing for association between segmenting variables and brand loyalty or purchase rate and concluded that "Household demographic, socioeconomic, and personality characteristics appear to have, at best, a relatively low degree of association with total household purchases" (Frank, 1968, p. 4[illegible]). In a similar vein, a heated debate surrounded Franklin B. Evans' (1959) demonstration that personality and demographic/socio-economic variables failed to discriminate strongly between Ford and Chevrolet owners (Kuehn, 1963; Evans and Roberts, 1963) or between the loyal subsets of owners (Steiner, 1961; Winick, 1961; Evans, 1961). Other studies have found significant, but weak relations between various indices of personality and product-usage measures (Claycamp, 1965; Koponen, 1960; Tucker and Painter, 1961). Though not disputing such evidence, Bass, et al. (1968) have attacked the oft-drawn conclusion that segmentation may not be useful on the grounds that significant differences in mean purchase rates may exist between some selected subgroups defined by carefully chosen segmenting variables even where overall strength of association across individuals is slight. In the spirit of this contention, Assael (1970) has viewed the A.I.D. computer program as a technique suited to searching for sub-groups with the largest possible differences in mean purchase behavior. Nevertheless, the Bass argument appears to hinge rather delicately on the implicit statistical fact that any difference between groups will reach significance if large enough samples are collected to reduce the variance of group means to sufficiently low levels:

> The fact that R^2 values are low implies only that the variance within segments is great, not necessarily that the differences in mean values between segments are not significant (Bass, et al., 1968, p. 267).

The point which deserves emphasis amidst this seemingly endless debate, however, is that--no matter how they are defined--segments can be useful to the marketing strategist only insofar as they respond differently to some controllable element(s) in the marketing mix (Oxenfeldt, 1966, p. 48; Brandt, 1966, p. 25; Frank, et al., 1972, p. 27, p. 251; empirical examples are provided by Frank and Massy, 1965; Hughes, 1966; Koponen, 1960):

> there is only one condition under which a firm can achieve greater profitability via market segmentation: Different groups of customers must have different responses to changes in the firm's marketing program (Frank and Massy, 1965, p. 187; Frank holds to this point so strongly that he repeats it verbatim in Frank, 1968, p. 41, and Frank, et al., 1972, p. 133).

The fundamental assumption of differential responses between segments underlies both the differentiated segmentation and selective segmentation strategies. After all, if all buyers responded identically to the firm's marketing efforts, there would be no point in distinguishing between them via any type of segmentation. Now, as Frank and Massy (1965, p. 188) have taken pains to point out, any such differences between segments in response to marketing variables are not logically related to differences between segments in variables having to do with purchase rate. Yet, Bass, et al. assign mean usage rate prime importance in "allocating marketing effort to market segments" (Bass, et al., p. 269):

> For market segmentation, the essential question is whether it is possible to identify groups of consumers with different mean purchase rates dependent on certain variables, such as income, age, and occupation (Bass, et al., 1968, p. 265; for further refutation of this logic, see Frank, et al., 1972, pp. 190 ff.).

As a result of such thinking, most studies (with the exceptions noted above) have focused only on whether purchase-related differences exist between segments (Frank and Massy, 1965, p. 188). But since these differences, even if they exist, would have no logical bearing on whether segments respond differently to marketing variables, the purchase-rate studies cannot meaningfully address the issue of whether segmentation is or is not a useful strategy. The whole controversy therefore seems more academic than practical in its implications.

ADVERTISING DECISIONS AND STRATEGIES

Advertising management involves two basic decisions: (1) levels of expenditure on advertising media vehicles and (2) advertising copy. This breakdown has been employed explicitly by Lucas and Britt (1963) who divide their book into sections dealing with "measurement of advertising messages", on the one hand, and "measurement of advertising media", on the other, and who distinguish sharply between "the media function" (ad exposure) and "the copy function" (ad perception, and so on) (p. 282). Wolfe, et al. (1962, p. 9, p. 120) preserve a similar distinction, as do Simon (1971) and the Marketing Science Institute (MSI, 1968, p. 6).

In dealing with these decisions, the ideal segmentation strategy--differentiated segmentation--presupposes two crucial conditions:

(1) that management can direct advertising at each market segment differentially;

(2) that management knows each segment's response function relating sales to advertising expenditures

(cf. Claycamp and Massy, 1968; Frank, 1968, pp. 41-43; Frank, et al., 1972, p. 27, p. 190).

Based upon such assumptions, micro-economics provides a set of marginal conditions which would assure optimal allocation of advertising funds (for a clear exposition of the mathematics involved, see Frank, et al., 1972, pp. 175 ff.). Given a fixed advertising budget, for example, a highly simplified ideal model of the advertising decision might assume: (1) that each vehicle reaches only a specific market segment and (2) that a response function is known for the effect of each copy theme in each vehicle on dollar sales to that segment. The solution to such an ideal model would then be to equate the marginal sales derived from an additional dollar spent on each copy theme in each vehicle. The fundamental requirement for the ideal differentiated segmentation model, then, is that separate relationships between advertising and sales dollars be known for each copy theme, in each vehicle, among each segment. It follows that goals and controls tend to be formulated in terms of sales dollars when this ideal model is assumed.

Expositions of such idealized advertising models have frequently appeared in the marketing literature. Rao (1970), for example, considers the problem of allocating a fixed advertising budget between segments for which response functions are known (pp. 15 ff.). Similarly, Claycamp and Massy (1968) and Frank, et al. (1972) present a series of models, at various degrees of aggregation, in which marginal profit contributions (across segments) are equated to marginal media costs for each promotional medium. These models assume only a static response function which neglects the effects of current advertising dollars on sales in future periods. Some idealized model builders have moved beyond these static response functions to assume that the planner knows a lagged-effects response function giving the relationship between ad expenditures at time t and sales revenue in all future periods (t, t+1, t+2, ...). Thus Vidale and Wolfe (1957), Kuehn (1961), Simon (1971), and Beckwith (1972) all present models which use such assumed distributed lag response functions to compute the advertising allocations that optimize the net present value of discounted future earnings.

In practice, optimal allocation models like those described above have seldom been applied satisfactorily due to a dramatic breakdown (which we shall discuss below) in the assumption that decision-makers know a set of reliable response curves relating sales to ad expenditures (Frank, et al., 1972, p. 6, p. 134). Such difficulties have forced real-life managers to fall back on the approximate selective segmentation strategy. This model is based on the heuristic principle of selecting a target segment whose needs are not currently well met (that is, where some monopoly power can be attained) and tailoring the marketing mix to match that segment's needs (Oxenfeldt, 1966, p. 49). Such a model, for example, might assume that an n-dimensional market "space" exists where buyers tend to cluster according to their preferences for certain product characteristics. Similarly, a brand "space" would exist wherein each brand occupies some perceived position on each of the n dimensions. The firm would then select as its target segment some buyer cluster whose preference location was not matched by a comparable brand position. That this kind of selective segmentation strategy is actually used by marketing managers was suggested vividly by the recent report of Charles E. Overholser (Research Director for Young and Rubicam) to the F.T.C. (Overholser and Kline, 1971; see also Frey, 1961). In addition, Johnson (1971) has provided an excellent exposition of the basic selective segmentation strategy, complete with examples of mathematical techniques that can be used to define the relevant buyer and brand spaces (see also Frank, et al., 1972, p. 133).

With the selective segmentation strategy, a corresponding advertising model might assume: (1) that some set of media vehicles can be found which communicate efficiently with the target segment (Gensch, 1970; Lucas and Britt, 1963, Ch. 14; Starch, 1966, Part III; Wolfe, et al., 1966, Ch. 2) and (2) that advertising copy can be created to manipulate the target segment's perception of brand characteristics so that, for them, the brand attains its desired strategic position in the brand space (Brandt, 1966, p. 26; Johnson, 1971, p. 18). Thus a selective segmentation model calls for an essentially qualitative solution wherein copy is written and media are chosen in a manner that will move the brand to the preferred position in the target segment's brand space. The copy-designing implications of such a strategy are summarized in part by Haley (1971) who argues that

> benefit segmentation is a tool for improving your communications with the group or groups of consumers selected as the market target by selecting themes which improve your chance of capturing the attention of your prospects and of involving them in your advertising.... In short, the payoff for benefit segmentation studies is guidance in message differentiation (Haley, 1971, pp. 4-8).

Not surprisingly, then, goals and controls for the selective segmentation advertising model tend to be formulated in terms of communication goals along the so-called hierarchy of effects (awareness, comprehension, recall, preference, and so on).

Various heuristic techniques have evolved to effectuate the selective segmentation strategy. One which has clear-cut implications for ad copy themes deals explicitly with the positioning of brands in the brand space. Kuehn and Day (1962, 1964), for example, describe a technique for selecting a brand's position along a single qualitative dimension so as to maximize the brand's probability of being preferred over other brands. These authors, however, ignore interactions between qualitative dimensions. More elegantly, Neidell (1969) used cluster analysis on data for physicians' rank orders of similarity between brands of drugs (including their "ideal" brand) to identify two buyer clusters. He then used multi-dimensional scaling on these data to determine, separately for each cluster, two dimensions of the brand space (which he called "side-effects" and "potency") and the position of each brand as well as that of the cluster's ideal brand on these dimensions. The first cluster's ideal position was not matched by the perceived position of any extant brand so that Neidell took this cluster as the target segment and advocated positioning a new brand at the segment's ideal position. Similarly, Johnson (1971) used ratings of eight brands of beer on 35 attributes in a multiple discriminant analysis to isolate two orthogonal dimensions which he called "premium vs. popular price" and "light vs. heavy" and took as the bases for the brand space (Figure 1). Johnson then used respondents' ratings of their "ideal" brand in cluster analysis to form clusters of buyers with relatively homogeneous preferences on these two dimensions (Figure 4). On the assumption that people prefer brands closer to their ideal points, at least two clusters appeared whose preferences were not well met by any existing brand (p. 17).

Heuristic devices have also evolved, of course, for the selection of media vehicles. Such models are based on the relative efficiency of different vehicles in reaching the selected target segment (Gensch, 1970). Once these data are determined, various programming methods are available to handle their implications for an optimal media selection. A discussion of these programming techniques would not serve our present purpose, especially since good general reviews have appeared in Hansen (1961, Ch. 14), Kotler (1967, Ch. 18), Wolfe, _et al_. (1966, Ch. 8), and Simon (1971, Chs. 12, 13) while more specific discussions may be found of linear programming models (Bass and Lonsdale, 1966; Buzzell, 1964a), "high assay" models (Moran, 1963; St. Georges, 1963), and simulation models (Pool and Abelson, 1961; Orcutt, _et al_., 1961; Simon, 1971; Wells, 1964a). For our present purposes, it is most important to note that these models follow the selective segmentation stragegy by specifying some target segment(s) in terms of which the quantitative weights of various vehicles may be determined as the basis for an objective function to be maximized subject to cost restrictions and other scheduling constraints (Andriessens,1966; Bogart, 1966; Gensch, 1970; Lucas and Britt, 1963, Ch. 14; Marc, 1966; Rogers, 1960; Starch, 1966, Pt. III; Wolfe, _et al_., 1966, Ch. 2). Going beyond the simplest maximization criterion based on number of target segment customers exposed, several of these writers have suggested that such figures should be adjusted to reflect the qualitative differences between vehicles in exposure value which result from such factors as a vehicle's prestige, its technical characteristics (aural, visual, etc.), its editorial climate, or its appropriateness to the particular product advertised (see, for example, Gensch, 1970).

A TYPOLOGY OF ADVERTISING RESEARCH

Since advertising research stems fundamentally from the need to acquire information as a basis for decisions in advertising management, we may use our distinctions (1) between the copy and media problems and (2) between the ideal differentiated segmentation and approximate selective segmentation strategies to create a typology of advertising research. This typology views advertising research as a process of hypothesizing and testing relationships between independent and dependent variables. The basic advertising decision areas suggest the two types of independent (manipulable) variable: media variables (which include the type of media used, the vehicles chosen within media, and the levels of expenditure on those vehicles) and copy variables (which include the structure and content of advertising messages). In the last section we argued that the approximate and ideal decision models correspond to two types of dependent (effect) variable: communication effects measures (the approximate model) and sales effect measures (the ideal model). This distinction will be discussed further in the following section.

A Typology of Advertising Research

	DEPENDENT VARIABLE	
INDEPENDENT (MANAGERIAL) VARIABLE	COMMUNICATION EFFECTS MEASURES	SALES EFFECT MEASURES
MEDIA		
COPY		

SALES VS. COMMUNICATION MEASURES OF ADVERTISING EFFECTS

The dimension of the above typology which relates to dependent (effects) variables deserves some further elaboration. Similar distinctions between communication effects research and sales effect research may be found in Kotler (1967, Ch. 18) and in a review by the Marketing Science Institute (MSI, 1968, p. 54). As we argued above, the former criterion stems logically from the adoption of an approximate selective segmentation strategy whereas the latter criterion is adopted by advocates of the ideal model. From the vantage point of the ideal model, the "ultimate objective" of advertising is not communication, but sales (Campbell, 1969a,b;Rao, 1970; Rao, 1972; Sexton, 1970) so that

> the functional relationship of sales to advertising plays a central role in any mathematical theory of advertising. One such a function is known, mathematical optimization techniques can be used to allocate advertising expenditures (Rao, 1970, p. 15; see also Buzzell, 1964a;Jessen, 1961; Palda, 1964; Sexton, 1970; Simon, 1971; Vidale and Wolfe, 1957; and Williams, 1963).

Thus MSI takes as its ideal measure of advertising effects the "discounted present value of the difference in long-term profits which would be produced by the choice of one advertising alternative over another"(MSI, 1968, p. 20).

In recent years, with the advertising researcher's increasing mathematical sophistication and methodological finesse, the pendulum has swung from a use of the selective segmentation strategy and an emphasis on communication effects measures toward a more widespread adoption of the ideal model with its concomitant insistence on sales effect measures. This trend is illustrated, for example, by the differences between two volumes compiled for the Association of National Advertisers. In the first, often referred to as DAGMAR, Russell Colley (1961) advocated the use of communication effects measures, whereas by the time Campbell (1969a, b) put together his updated review, he was able to assert optimistically:

> five years of research has revealed that the sales and profits caused by advertising can be measured. These vital measurements can be secured through properly designed and executed field experiments (Campbell, 1969b, p. 1).

This manifesto has been echoed by Simon (1971) who asserts with confidence that an advertiser "can now collect almost any information about advertising's effect that he desires"--including sales effect--and concentrates "mostly on dollar measurements" (Simon, 1971, pp. 14-15). Similarly, Rao (1970) uses "sales, or a function of sales, as a measure of advertising effectiveness" (p. 3) and MSI argues that

> ...relative advertising effectiveness should be measured by the net improvements or differential effects of the advertising alternatives on people's purchasing behavior (MSI, 1968, p. 54).

Sober reflection upon the state-of-the-art in advertising research, however, suggests that recently the pendulum may have swung too far toward a rosy insistence on the ideal model; for, in practice, the measurement of sales effects has often proved an elusive ideal indeed. At bottom, these difficulties spring from the simultaneous dependence of sales on a wide range of extraneous "noise" variables--some completely uncontrollable states-of-nature, such as the actions of competitors, conditions in the industry or general economy, government regulations, or even the weather; some controllable only outside the advertising function, such as the firm's own selling, distribution, and pricing policies (Campbell, 1969b, pp. 19 ff.; Colley, 1961, pp. 10 ff.; Gensch, 1970; MSI, 1968, p. 21, p. 66; Ramond, 1965, p. 152; Wolfe, et al., 1962, p. 7). In addition, an ad may produce communication effects today which culminate in sales only in some future period (Colley, 1961, p. 12; Lavidge and Steiner, 1961). Such confounding factors make it virtually impossible for cost accountants to allocate sales to advertising expenditures by any but the most arbitrary means. Wallace (1966) has reacted to this predicament with amusing irony, suggesting that to get the contribution of advertising to sales, all one need do is to add up the contributions of all the other functions and substract them from the sales figure. Such facetious advice may provide some harmless cathartic humor to the advertising manager, but there is certainly nothing funny to be found in Quandt's (1964) agonized portrayal of the obstacles encountered in searching for ad-sales relationships via econometric techniques. Such analyses support Wolfe, et al.'s contention that:

> Generally, it is not considered reasonable to use sales results as a basis of measuring advertising effectiveness, except where advertising is the dominant sales force, where other factors affecting sales remain fairly constant, and where the results of advertising are quickly reflected in shipments and billings. Where these conditions do not exist, other yardsticks must usually be used (Wolfe, et al., 1962, p. 7).

Advertising managers thus find themselves confronted by a trade-off between the clarity of objectives inherent in sales effects and the greater precision of measurement possible with communication effects measures:

> The closer a measure is to direct sales results, the less critical becomes the reliance on any hypothesized links; but in general it also becomes more difficult to implement and offers less reliable results (MSI, 1968, p. 69).

This trade-off explains the following otherwise unfathomable paragraph from the Advertising Research Foundation's study on media comparisons:

> In measuring consumer response to advertising we have a choice of measures. The more closely they reflect the advertiser's purpose the more confounded...they will be. The less they reflect the advertiser's purpose the more the measures can be free from such irrelevant influences and the more directly they can be related to the advertising material itself (ARF, p. 12).

In the face of these imposing impediments to the application of the ideal sales effect measures, many researchers have advocated the use of communication effects measures as a basis for implementing the approximate selective segmentation strategy. Kotler (1967, Ch. 18) and Hansen (1961, Ch. 14) both content, for example, that the task-objective method of advertising evaluation is about as refined as we can hope for with the present state-of-the-art. Colley (1961) goes even farther in arguing that communication effects are all that advertising can accomplish:

> Advertising should not be assigned tasks that it is not capable of fulfilling. Advertising is a communicacation force. It should be assigned a communication task....Advertising's job purely and simply is to communicate, to a defined audience, information and a frame-of-mind that stimulates action. Advertising succeeds or fails depending on how well it communicates the desired information and attitudes to the right people at the right time at the right cost (Colley, 1961, p. 21).

Writers such as Britt (1969), Colley (1961), Sands (1966), Schwartz (1969), and Wolfe, et al. (1962) stress that, for successful control, such communication objectives must be pre-specified before the campaign and stated as operationally (that is, as objectively and quantitatively) as possible, preferably in writing. Britt (1969), however, laments the fact that in his survey of campaign evaluations fully 99% failed to state communication objectives in quantitative form.

Britt's critique notwithstanding, many advertising managers have recognized the close alliance between communication effects measures and the selective segmentation strategy and have given their support to the use of such measures. We have already cited the testimony of Overholser before the F.T.C. in this regard (Overholser and Kline, 1971). Further support comes from Pomerance (1964) and, even more explicitly, from Cooke (1966), who regards advertising as part of the marketing endeavor to tailor the product offering to the needs of a target segment and who argues, from this perspective, that the effects of advertising should be measured in relation to communication goals: whether the ad excites a need in the target segment, whether it informs the segment about the existence of a product to satisfy the need, whether it differentiates the product in a manner that appeals to the segment, and so on (Cooke, 1966, p. 87). A survey by MSI (1968) of ad agency research directors showed "a rather general consensus as to the value of comprehension, attitude, recall, and behavioral measures for campaign research" (p. 59) and confirmed that attitude measures were preferred to measures of sales effects (p. 67). Donald C. Marschner (1971), in fact, has gone so far as to argue that the extent to which management uses the chain of communication effects prescribed by DAGMAR (Colley, 1961) to evaluate its advertising is a valid index of a company's potential for success. Marschner demonstrated this point with high correlations across nine oil companies between the extent to which each used DAGMAR and three financial indices of its success (r = .67, .68, .71, respectively).

The communication effects discussed above have often been organized conceptually into a chain of stages which Palda (1966) christened the hierarchy of effects. In their seminal contribution to this concept, Lavidge and Steiner (1961) depict this hierarchy as an assumed progression of communication effects on the buyer, moving him through a series of cognitive (awareness, knowledge), affective (liking, preference), and conative (conviction, purchase) stages. Palda (1966) pointed out that, in the hands of less sophisticated users, this hierarchic concept may tend to treat the earlier stages as "necessary" preconditions for the later and as "sufficient" in the sense that the earlier contribute to an increased probability of the later stages (Palda, 1966, p. 8). In such insensitive applications, the hierarchy may come to be regarded as a strictly linear movement toward purchase in which the buyer approaches increasingly closer to purchase without ever skipping stages or being influenced by feedback from later stages. Given this rather mechanistic model--which we might regard as one more modern manifestation of Western Man's tendency to invent domino-theories--cognitive (e.g., awareness or knowledge) or affective (e.g., liking or preference) variables have often been regarded as indicants of ultimate purchase effects. Clearly, such improper uses of communication effects measures depart dramatically from the logic of a selective segmentation strategy and come to serve in the last analysis as little more than proxy measures of sales effect in a kind of bastardized version of the ideal model. Various authors have summarized this dubious logic as follows:

> if it is true that a one-way flow of progression from message reception to overt behavior exists, then sales as a criterion of effectiveness can be dispensed with and 'substitute' variables used instead (Palda, 1966, p. 13).

> The typical well-researched marketing budget is divided among promotional forces, not according to their contribution to sales or earnings, but according to their performance on some other measure that is thought to reflect selling power....Users of these methods assume that the better the advertising communicates, the more it will sell (Ramond, 1965, p. 148; see also MSI, 1968, p. 91; Rao, 1970, p. 7; Simon, 1971, Ch. 3).

Hierarchy of effects and hierarchic-like models of communication have so thoroughly permeated the literature on advertising research that the following (chronological) tabular presentation of some of the many variations in terminology may prove useful.

TERMINOLOGY IN THE HIERARCHY OF EFFECTS

	COGNITIVE STAGE(S)	AFFECTIVE STAGE(S)	CONATIVE STAGE(S)
A.I.D.A.	Attention	Interest, Desire	Action
Lavidge & Steiner (1961)	Awareness Knowledge	Liking Preference	Conviction Purchase
Colley (1961)	Awareness Comprehension	Conviction	Action
Rogers (1962)	Awareness	Interest Evaluation	Trial Adoption
Mendelsohn (1962)	Rudimentary Response (Recall)	Emotional Response (Affect)	Active Response
Wolfe, *et al*. (1962)	Awareness Acceptance	Preference Interest	Sale
Aspinwall (1964)	Acceptance	Preference	Insistence
A.R.F. (undated)	Exposure, Perception, Communication (Knowledge)	Communication (Attitude)	Action
M.S.I. (1968)	Awareness Knowledge	Liking Preference	Conviction Purchase
Schwartz (1969)	Exposure, Attention Retention	Attitude Change	Purchase
Howard & Sheth (1969)	Attention Comprehension	Attitude	Intention Purchase
Howard (undated)	Facts-Exposed Facts-Coded	Attitude	Intention Purchase
Murphy (1971)	Attitude Comprehension	Significance Differentiation	Activation
Taylor & Peterson (1972)	Attention	Interest Desire	Conviction Action
Young (1972)	Attention Communication	Persuasion	
Holbrook (herein)	Attention Perception Memory	Attitude	Intention

Comparisons such as those implied by the above table are valuable in sorting out differences in terminology and indicating implicit theoretical parallels. There is the danger, however, that such comparisons may mask some all-important differences between at least three types of temporal perspective that are possible in studies of communication in advertising. The first, as typified by the hierarchy of effects advertising measures (e.g., Lavidge and Steiner, 1961) or the research on the diffusion of innovations (e.g., Rogers, 1962), adopts a broad, long-term view of the effects of an advertising campaign over time (cf. MSI, 1968, p. 38, pp. 51 ff.). Since advertising is seen as moving buyers through a series of psychological states, the key question becomes the essentially sociological one of how many people have reached any particular state at any particular moment in a campaign (e.g., Colley, 1961, p. 38). The psychological states themselves are treated not as mediating variables in the process of communication, but rather as weigh-stations along the road to purchase or as proxies for the ultimate sales effect. Hence, little interest attaches to relationships between the psychological states themselves. By contrast, comprehensive buyer behavior models (e.g., Howard and Sheth, 1969) view the communication chain as a system of variables which interact over a time period long enough for numerous exogenous information inputs to impinge on the system. Interest might focus, for example, on the ways in which attention to a whole array of information inputs might affect brand comprehension at some later point in time (as measured, for instance, by panel data). The third perspective (as embodied in the paper from which this Appendix has been taken) deals with the communication process that occurs within a particular receiver's decoding of a particular message. Within this communication situation, the receiver may be described as moving through a series of cognitive, affective, and conative stages, but this chain of effects is viewed as an extremely short-term psychological process (which could be traced, if at all, only via laboratory experimentation).

Maloney (1964) draws some comparable distinctions between different levels at which the communication effects of advertising may be studied. At the level of campaign effects, which falls within the purview of the sociologist, field surveys are used to measure hierarchic effects (awareness, recall, attitude) that occur over months or even years. Message effects are of interest to the social psychologist engaged in memory or attitude research. Finally, symbol effects (studied by linguists, cognitive theorists, information theorists, and so on) and stimulus or signal effects (studied, for example, by psychophysicists) would be investigated through laboratory experimentation.

A key variable which further distinguishes these various levels is their respective treatments of memory. The long-run hierarchy of effects views memory as a storage in which communication effects are "accumulated" over a "considerable time period" until the ultimate "purchase decision" is made (Maloney, 1964, p. 524). Here, memory becomes more or less synonymous with attitude change:

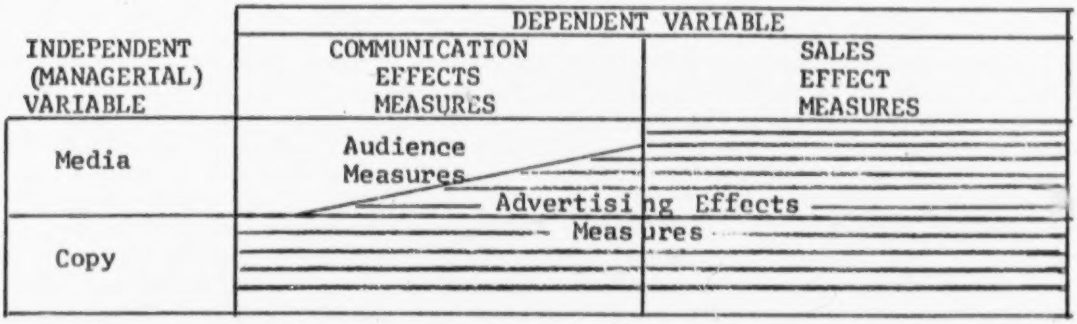
> any positive effects of the communication must be stored in audience members' memories...we might... think of the audience memory as an attitude or opinion storage compartment (Maloney, 1964, p. 524).

Such an approach to memory is indeed very different from the more microanalytic view embodied in our study which treats memory as a mediating stage in a receiver's response to a message that intervenes between his perception of the message and its effect on his attitude toward the message-object.

AUDIENCE VS. ADVERTISING EFFECTS MEASURES

We may further elaborate the typology presented above by distinguishin between two sub-divisions of advertising research: audience measurement and the measurement of advertising effects (for a comparable split, see Wolfe, et al., 1962, pp. 8-9, p. 120; MSI, 1968, p. 10). As shown in the figure below, this distinction cuts across the upper left-hand cell of our typology of advertising research.

A Typology of Advertising Research


DEPENDENT VARIABLE
INDEPENDENT (MANAGERIAL) VARIABLE
COMMUNICATION EFFECTS MEASURES
SALES EFFECT MEASURES
Media
Copy
Audience Measures
Advertising Effects Measures

Advertising effects studies may fall within any of the four classes of advertising research. Audience measures, however, are confined to a relatively small corner of the upper left-hand cell. We might define such studies as any measure of the respondent's exposure to a vehicle or ad which is not explicitly concerned with the repercussions of that exposure on subsequent stages in the hierarchy of effects. Their confinement to a small corner of the ad research matrix results from the fact that they are highly restrictive and restricting in at least two senses. First, the "independent' variable usually consists of little more than a comparison of medium A vs. medium B or vehicle 1 vs. vehicle 2 and often focuses on only one vehicle by itself (the one that the advertiser happens to have used), in which case there is really no independent variable at all. Secondly, and more importantly, such studies deal conceptually with only the first step in the hierarchy of effects--namely, exposure--defined by Lucas and Britt (1963) as "the number of people whose...eyes and ears are favorable to reception" (Lucas and Britt, 1963, p. 209). Admittedly, the operational definitions of exposure used in practice such as "advertising noting" (Lucas and Britt, 1963, p. 209) often confound the pure exposure variable with the effects of attention, perception, and retention. Indeed, Lucas and Britt prefer such a measure as "the most useful approach to the evaluation of different advertising media and vehicles" (p. 220). Nevertheless--conceptually at least--such measures are directed at inferring what happened in the earliest cognitive stages of the hierarchy rather than at the later cognitive, affective, and conative stages. Hence, Lucas and Britt interpret audience measures as showing "an awareness that there is an advertisement" (p. 285), with no necessary awareness of what the ad said.

The restriction of focus inherent in audience measurement has earned this branch of advertising research its fair share of criticism from those who, like the Advertising Research Foundation (undated), insist that to compare media or vehicles on the basis of nothing more than exposure figures involves the extremely dangerous implicit inference that subsequent stages in the hierarchy of effects are the same, given exposure. Indeed, some exposure measures discussed below, such as the audimeter or the dyna-scope, require an heroic leap of faith to conclude that any communication effect whatsoever has occurred (cf. Colley, 1961, p. 38). Thus Bogart (1966, 1969) charges that too much effort has been devoted to "the dull and repetitive measurements of media audiences" (Bogart, 1969, p. 5), arguing that such research ignores key psychological mediating variables so that "the emphasis on audience measurement...has deflected attention from the process of communication" (Bogart, 1966, p. 200). Wolfe, et al.'s comments on this point are worth quoting at length:

> readership, listenership, and viewership...more counts of the number of people that have been 'exposed' are not in themselves adequate measures of how effective advertisements have been in performing their communication jobs. They only show the stopping power of the advertisements and the effectiveness of the media used....they are not an adequate measure of advertising results.... A better evaluation of results is possible by picking up the thread at a later stage in the communication process--as, for example, by trying to find out what effect the advertising has had on people's awareness of the product or their attitude toward it (Wolfe, et al., 1962, pp. 8-9).
>
> The great bulk of these measurements pertain to distribution and exposure....Yet it is generally agreed that distribution or exposure is only a prerequisite for media performance and not a proper gauge of it. What the advertiser is really interested in is the response its advertising elicits; not only how many people were exposed to its advertising in a given vehicle, but also what contribution the vehicle made to the effect produced by the advertising (Wolfe, et al., 1966, p. 9).

In spite of these objections, a greal deal--perhaps most (Bogart, 1969, p. 5)--advertising research has dealt with audience measurement. Accordingly, we shall discuss audience measures in the next section before turning to a review of advertising effects studies in the section after that.

AUDIENCE MEASUREMENT

We may enumerate several dimensions upon which a classification of audience measures--that is, measures of exposure--might be based.

These would include:

(1) Type of Medium: newspaper, magazine, radio, television, and so on.

(2) Source of the Data: the media themselves, syndicated services, ad agencies, the advertiser himself, and so on (Campbell, 1969a, b; MSI, 1968; Wolfe, et al., 1966, Ch. 1).

(3) Degree of Specificity: medium exposure, vehicle exposure, version (issue or program) exposure, ad exposure (Lucas and Britt, 1963, Chs. 11-13; Wolfe, et al., 1966, Chs. 4-5); this important distinction is often overlooked, and when it is, confusion invariably results.

(4) Treatment of Repetition: reach (number exposed) vs. frequency (number of exposures) measures may be distinguished within or between versions, vehicles, and even media (Wolfe, et al., 1966, Ch. 3; Lucas and Britt, 1963, Ch. 16); audience accumulation refers to the reach of a succession of versions of some vehicle; unduplicated audience refers to the reach of a combination of vehicles within or even between media. In general, data are usually collected for, at most, two versions of a given vehicle or a combination of two different vehicles; this practice motivated the development by Agostini of formulas for the use of such data to estimate cumulative audience for a given magazine (Agostini, 1962) and unduplicated audience for a combination of magazines (Agostini, 1961); subsequent studies have, in general, supported Agostini's method, though sometimes suggesting the need to let the so-called "Agostini Constant" vary between situations (see four articles in the Journal of Advertising Research, Vol. 3, March 1963; see also Hofmans, 1966).

(5) Locus of the Study: laboratory vs. field; most exposure studies occur in the field almost by definition; some writers, however, view laboratory studies of attention as a type of audience measurement; we feel that attention measures are more properly considered a type of advertising effects study.

(6) Interview Technique: personal mail, telephone, and so on (Wolfe, et al., 1966, Ch. 4).

(7) Temporal Vantage Point: concurrent vs. delayed--whether the measure refers to simultaneous exposure or to past exposure (cf. Lucas and Britt, 1963, pp. 253 ff.).

(8) Stage in Hierarchy: exposure vs. retention; though most audience measures are intended to measure exposure, some confound attention, perception, and even retention with this measure; ad-noting scores, for example, gauge the respondent's recognition of what he thinks he perceived if and when he paid attention to an ad that he says he was exposed to.

(9) Use of Exemplar: abstract vs. concrete--whether the respondent is actually confronted with an exemplar of the vehicle, version, or ad at the moment the measure is taken.

(10) Type of Measure of Retention: recognition vs. recall (Lucas and Britt, 1963, Chs. 3, 4)--whether the respondent claims to have seen a sample exemplar or whether he reproduces details from memory without examining the exemplar.

(11) Directness of Measure: indirect vs. direct--the former refers to an indirect questioning technique to ascertain average probability of exposure, the latter to a direct scale on which each respondent indicates his subjective probability of exposure.

We have chosen two of these dimensions as the key bases upon which to classify audience measurement techniques: (7) temporal vantage point--concurrent vs. delayed--and (9) use of exemplar--abstract vs. concrete. We break this classification down according to further sub-distinctions where these refinements have occurred in practice. Thus, within the set of measures which are delayed in time, the concrete type involves either recognition or recall measures of retention (10) while the abstract type employs either indirect or direct measures (11). Finally, a further breakdown (indicated by dotted lines) separates vehicle audience measurement from the measurement of audiences for specific advertisements. Obviously, the selection of these particular distinctions, among the many available, was both heuristic and subjective, producing a typology that bears more relevance to existing measurement techniques than strict logical division would have permitted. That typology appears below. We shall briefly discuss each entry.

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A Typology of Audience Measurement Techniques

	CONCURRENT	DELAYED	
		RECOGNITION	RECALL
[illegible]	Audimeter Diary Dyna-scope Glue-drops Fingerprints Hidden camera	Editorial-Interest	
		Starch: Recognition Procedure C.A.A.T. (Controlled Ad Awareness Technique)	Gallup-Robinson: Proven Name Recall
		INDIRECT	DIRECT
[illegible]	Hooper (Radio) Trendex (Television)	I.P.A. (Institute of Practitioners of Advertising)	Two-Stage One-Stage
		Starch Gallup-Robinson	

[illegible]crete concurrent measures have shown considerable ingenuity and [illegible] complexity. Nielsen's audimeter, for example, is a sophisticated [illegible] device that records on tape the time that a television or radio [illegible] is turned on and the station to which it is tuned. One useful [illegible] been the demonstration that little tuning out occurs during [illegible]ls. A key remaining problem, however, is that the audimeter fails [illegible] the number of people (if any) in the home audience. This [illegible]y may be surmounted by the diary method--used by Nielsen and the [illegible] Research Bureau--wherein one member of the family records the [illegible]and audience data to supplement the audimeter measure (Lucas and [illegible]963, pp. 248-250). Allen's dyna-scope provides an even more elegant [illegible], using a hidden camera to photograph the people who are in front [illegible]t while it is turned on. One study showed, for instance, that [illegible]he sets turned on had no attentive audience during commercials [illegible]1965). Comparably tricky field procedures have been used to study [illegible]rship of magazine advertisements. Lucas and Britt describe methods [illegible]ve employed the sealing of pages with glue-drops, the tracing of [illegible]ints, and photography with hidden cameras to verify magazine ad [illegible] (Lucas and Britt, 1963, pp. 270-280).

[illegible]tract concurrent measures employ simultaneous telephone interviews [illegible]tain what program the respondent is watching or listening to. [illegible](radio audience) and Trendex (television audience) studies are of [illegible]pe (Lucas and Britt, 1963, p. 253).

Concrete delayed recognition includes those measures in which the interviewer hands the respondent some form of the version or ad of interest and ultimately asks whether he has seen it before. The editorial-interest approach, used by Alfred Politz and many others, takes the respondent through the issue and asks him which articles look interesting. Only then does the interviewer ask if the respondent happens to have seen that issue (Lucas and Britt, 1963, p. 228; Stock, 1961). Marder (1967) performed a validation study of this method in which he compared independently observed readership with the editorial-interest method and found that the latter produced a high degree of under-reporting.

The Starch recognition procedure was devised in 1922 (Starch, 1966). It asks the respondent if he has read any part of an exemplar and then goes through the entire magazine with him, asking if he's seen each ad, and if so, which components of the ad he read (probing on the unmentioned components). The technique generates three measures: noted (the percent who saw an ad), seen-associated (the percent who read any part of the ad that included the product name), read-most (the percent who read more than half of the written material). The A.R.F. executed a study intended to test the validity of the Starch technique. They found high correlations between their scores and the Starch scores ($r^2 = .85$ for women and .74 for men), which prompted Lucas (1960) to conclude that, even though high reliability does not necessarily imply high validity, "The correspondence between PARM and the regular Starch ratings was generally accepted as an endorsement of this commercial service" (Lucas, 1960, p. 125).

Nevertheless, some rather telling criticisms have been raised against the Starch technique. Lucas notes with alarm that the PARM recognition score showed no decline in time, in marked contrast to the kind of memory effects normally observed (Zielske, 1959) and cautions that "for the measurement of memory values, the ordinary recognition method seems to be entirely lacking" (Lucas, 1960, p. 128). Wells (1964b) has offered the explanation that the recognition score is really a measure of the subjective probability of seeing an ad. To these charges, Neu (1961) has replied that the Starch data do show a decline of recognition over time. In further defense of Starch, we should add that memory researchers often regard recognition as a measure of long-term storage, recall as a measure of retrieval and storage. Only the latter would necessarily be expected to decline dramatically over time if retrieval is the critical determinant of long-term memory.

Another major criticism of the Starch technique has stemmed from its use with bogus ads. Marder and David (1961) produced recognition scores on ads that respondents could not possibly have seen which ranged from 62% to 87% of the recognition claims for true ads and concluded that "the numbers generated by aided reports of exposure to ad elements...are substantially useless as factual reports of prior exposure" (Marder and David, 1961, p. 25). Appel and Blum (1961) found that such false claims tended to increase with prior exposure to the magazine, interest in the product, and nearness to purchase and argued: "Because of these confounding factors, measures of ad noting are equivocal at best" (Appel and Blum, 1961, p. 18). Somewhat more constructively, however, Appel and Blum went on to use the relationship between bogus-ad claims and real-ad claims to predict the noting scores so that the residual scores then served as adjusted relative measures of recognition. The greater validity of this residual measure was suggested by the fact that it improved the point biserial correlation between color vs. black-and-white and recognition from .48 to .74. Davenport *et al.* (1962) proposed another technique to control for false claiming. They took two recognition measures on both true and bogus ads, proposing that true ad recognition be defined as (a) those who answered yes consistently to both questions or (b) the percent answering yes among those who did not claim to have read the bogus ads. He found that these controls for false claiming required a sizeable downward adjustment in claimed recognition. Starch (1966, Ch. 3) has replied that inserting bogus ads produces biased results unless you warn the respondent that some of the ads are phony, and Neu (1961) has presented data to support the claim that when subjects are thus warned, the estimate of readership closely resembles that obtained by the regular Starch procedure.

An indubitable improvement on the Starch score is the C.A.A.T. (Controlled Ad Awareness Technique) of Keswick and Corey (1961). CAAT shows the respondent an ad through a set of filtering screens which are removed one by one until he recognizes it. Keswick and Cory have found significant correlations between their recognition score (the number of screens through which the ad is identified) and experimentally controlled numbers of previous exposures.

Concrete delayed recall tests are represented by the Gallup-Robinson technique of aided recall of magazine ads which shows the respondent only the cover of an exemplar, requiring him to demonstrate that he has read the issue by recalling at least one feature, asks him to remember which ads he recalls seeing, and then uses probes to test recall of specific copy features (Lucas and Britt, 1963, p. 75). Lucas (1960) reports that, for men, the ARF found an r^2 of only .37 between its attempt to replicate the Gallup-Robinson measure and the actual proven name registration scores (p. 128). In their defense, however, these scores did decline through time like true memory scores (p. 131). In addition, they are refreshingly free of spurious claims, though often they are too low to be statistically significant (p. 128).

Abstract delayed measures have grown out of the need to include a greater number of periodicals in a survey than can be conveniently handled by the time-consuming editorial-interest method. Such inclusiveness is especially important when measures (vs. estimates) of cumulative or unduplicated audiences are desired. The abstract delayed indirect technique asks when the respondent last saw some vehicle or if he saw it during some period. From such a datum, one can derive the aggregate probabilities of exposure for single versions, cumulations, or combinations. The IPA (Institute of Practitioners of Advertising) employs such an indirect method to cover 84 English periodicals. The key IPA question asks whether the respondent has looked at any copy of the periodical during the last X days, where X is the period of publication--that is, day, week, or month (Corlett, 1964). Belson demonstrated, however, that the position of the question affected the claimed rate of readership (see Henry, 1962); he proposed the rotation of the daily, weekly, and monthly questions to overcome this effect. Corlett (1964), meanwhile, pointed to the dual problems of overestimation due to re-reading some issue in a later period and underestimation due to reading more than one issue in a given period. To overcome these difficulties, he proposed asking about the number of issues read for the first time in the last three days. The estimate of readership would then be this number multiplied by the publication period divided by three. Cahalan (1960) used a comparable technique based on a telephone interview that established whether a given daily newspaper was read yesterday; a comparison of these answers with the more time-consuming editorial-interest method (using the same respondents the same night) produced reliabilities greater than 94% for six newspapers.

To measure exposure to specific television commercials, Gallup and Robinson conduct delayed recall tests by telephone. The questioning technique resembles that of the magazine advertising recall method (Lucas and Britt, 1963, pp. 90-91) except, of course, that no exemplar is present. Nuttall (1960) has suggested another abstract measure of commercial exposure based on asking the respondent what he was doing during the commercial of interest--viewing the set, viewing something else, not sitting, not in the room. Interestingly enough, his data imply that only about 45% are viewing the set during a commercial, a figure which aligns closely with that of Allen (1964) cited above. Daniel Starch has also developed a measure of tv commercial viewing, the Viewer Impression Study, which generates a commercial recall score based on the percent of claimed viewers claiming to recall seeing a given commercial (Gruber, 1966). Gruber (1966)--who appears to be implicitly interested in the effects of copy on recognition--has criticized this score on the grounds that people tune in during the program so that the Starch score increases systematically as the position of the commercial in the program advances. From the point of view of exposure, however, Neu (1966) has replied that indeed position does have an effect and that this is one of the things that the Starch score is trying to measure. If nothing else, this debate illustrates the confusion that can arise when researchers fail to specify whether they are measuring copy effects, media effects, or some interaction between the two.

The abstract delayed direct techniques have streamlined the questioning procedure even further than their indirect counterparts. Like the indirect techniques, they have been particularly useful to researchers interested in cumulative or unduplicated audience measures, but they go beyond the indirect method to determine a probability of exposure to each vehicle for each respondent. As Landis (1965) has pointed out, such individual probabilities of vehicle exposure can be used to develop all the desirable reach and frequency measures. Sherrill (1966) thus argues that "a probability notion of 'reaching likelihood' is more satisfying than statements involving actual numbers of readers, percentages of circulation estimates, net unduplicated audience sizes, or even motives of readers" (Sherrill, 1966, p. 25).

As implied by our typology, two types of direct probability scaling methods exist. The two-stage technique, developed by Agostini (1964), asks the respondent, "do you read magazine Y regularly, occasionally, or never." At the same time, it uses another method such as the editorial-interest technique to get more objective probability measures for each of the vehicles covered. The "objective" measures are then used to calibrate the "subjective" category answers. Agostini (1964) found, for example, that the regular, occasional, and never categories were associated with editorial-interest probabilities of .89, .24, and .02, respectively. In future interviews, the calibrated category answers can then be used to provide direct estimates of readership probability.

A key drawback to Agostini's two-stage method is its requirement for outside data to calibrate the subjective scale categories (Schaefer, 1965). The one-stage method offers an obvious (but perhaps dangerous) simplification. Here the respondent is simply asked to provide some numerical estimate of his subjective readership probability. Stock (1961), who was one of the first to employ such a technique, simply asked his respondents the open-ended question, "About how often would you say you actually read X?" Subsequent researchers, however, have generally used n-point scales

(Corlett, 1964; Schaefer, 1965) or n-category multiple-choice answers (Schyberger, 1963, 1966) in conjunction with questions such as: "How many copies...do you usually look at in four weeks?" (Corlett, 1964); "How many of the last four issues have you read?" (McGlathery, 1967); "How often do you usually read _____?" (Schyberger, 1963, 1966); or "How many issues of _____ did you pick up and, to some extent, read during 1964?" (Sherrill, 1966). Finally, Landis (1965) uses a Guttman-type scale based on a multi-question procedure, the details of which he has unfortunately kept confidential.

Thus, direct subjective probability scaling methods have received wide use in recent years in measuring magazine reading habits. Schaefer (1965) goes so far as to proclaim the possibility of extending such methods to other media as well. Nevertheless, Landis (1965) has warned that, "simply asking respondents to estimate their exposure will lead to severe overestimates" (Landis, 1965, p. 25). Several researchers have provided results concerning this question of validity. Satisfactory checks of direct scales against the editorial-interest measure have been reported by Agostini (1964) and Schyberger (1963), using the two-stage method, and by Stock (1960) and Schaefer (1965), using the one-stage method. More pessimistically, however, both Schyberger (1966) and McGlathery (1967) found that direct scales produced overestimates of high issue-recognition probabilities and underestimates of low issue-recognition probabilities. Yet even these last two studies showed clear monotonic relations between direct scales and the recognition measures. It therefore seems safe to assume at least ordinal scale properties for the one- and two-stage direct subjective probability scales.

ADVERTISING EFFECTS RESEARCH

We have already presented our overall typology of advertising research, all of which constitutes advertising effects research except the area of the upper left-hand cell that we have just delimited as audience measurement. The following exhibit presents this same typology with some additional sub-divisions (discussed below) which appear to be especially relevant to distinguishing various types of ad effects research.

A Typology of Advertising Effects Research

INDEPENDENT (MANAGERIAL) VARIABLE	DEPENDENT VARIABLE	
	COMMUNICATION EFFECTS MEASURES	SALES EFFECTS MEASURES
MEDIA		Experimental Non-Experimental
COPY	Pre-Measures (Laboratory) "Copy Testing" Post-Measures (Field) "Campaign Evaluation"	Experimental: -By Subject -By Market Area Non-Experimental: -By Respondent -Market-Based

The reader will recall that we have based this typology on the distinctions that appear to be most relevant to both management and behavioral science--namely, the key independent (managerially controllable) and dependent (effects) variables which represent, respectively, the dimensions that management can manipulate and the strategic perspectives involved. Our classification therefore appears tighter and more dynamic than those offered by writers like Wolfe, et al. (1962, 1963), MSI (1968), and Campbell (1969a, b), who base their typologies on distinctions such as those between syndicated vs. non-syndicated measures (MSI, 1968, pp. 37 ff.), verbal vs. non-verbal measures (MSI, 1968, p. 19), standardized vs. custom measures (Campbell, 1969b, p. 26), or pre- vs. post-measures (Wolfe, et al., 1962 vs. 1963; Campbell, 1969b, p. 26).

One advantage of such comparatively loose classifications is that they permit their authors to incorporate various indirect ad effects which Campbell calls "marketing environment" responses (1969b, p. 13) and which include such factors as word-of-mouth and dealer acceptance (Campbell, 1969b, pp. 14-15; MSI, 1968, p. 19; Wolfe, et al., 1962, Part III, Ch. 1).

The major contrast between our scheme and the others, however, lies in the degree of importance which writers like Campbell and Wolfe, et al. attach to the difference between pre- and post-measures. Clearly, the distinction between pre- and post-measures depends upon one's answer to the question: "Previous to what?". MSI (1968) points out that this question can be answered in a number of ways since there are at least five different stages in the life of an advertisement at which ad effects measurements can be made: (1) before planning the ad; (2) as its components (headlines, captions, and so on) are conceived; (3) when it exists only in rough form; (4) during a test run of the ad; and (5) after running the ad (MSI, 1968, p. 9). Campbell and Wolfe, et al. appear to take "previous" in the sense of "before money is spent on media" (Wolfe, et al., 1963, title page):

> The basic distinction between pre- and post-advertising measurements is the point in time at which the target audience is exposed to the advertising. If this exposure occurs prior to publication or broadcast of the advertisement we have a pre-advertising measurement. If the exposure is by means of publication or broadcast, then obviously the measurement of the results is post-advertising (Campbell, 1969a, p. 62).

In this sense, the pre-/post- distinction is relevant only to the lower left-hand cell in our typology where a contrast might be drawn between a pre-measure of the communication effects of copy (or what is often called "copy testing"), which is often carried out in a laboratory setting, and a post-measure of copy effects (or "campaign evaluation") which would usually employ field research methods. The other cells in the typology would almost all be confined to post-measures in this sense. Certainly, Campbell's typology (1969b, p. 26) is consistent with this interpretation of the roles of his pre- and post-advertisement testing vis-a-vis our own typology.

Another sense of the pre-/post- distinction, however, might refer to whether the measure is performed before or after some managerial decision (ie., as a planning aid or control device). In this sense, however, all ad effects measures are ultimately pre-measures in that they provide inputs for some future managerial decision (MSI, 1968, p. 9). Similarly, to the behavioral scientist or to the maker of public policy, pre- and post-measures are on an equal footing in providing information about the advertising communication process. We shall therefore not stress the pre-/post-distinction except by observing the conventional contrast between copy-testing and campaign-evaluation measures in the lower left-hand cell of our typology.

In the paragraphs that follow, we shall describe the various types of ad effects study and briefly review the kind of work that has been done in each.

Media-Communication Effects Studies

Studies of the effects of media on hierarchic communication variables move beyond audience measurement in that they deal with media variations as an independent variable (often quantified in dollars) and the effects of such variations on later stages in the hierarchy of communication effects. Benjamin and Maitland (1958), for example, studied the effects of dropping leaflets in differing degrees of concentration on the level of message awareness, fitting the data with various models (e.g., logarithmic, negative exponential) and concluding that a logarithmic version offered the best combination of simplicity and goodness-of-fit.

Lipstein (1965) and Casey (1962) have used brand-switching logic to propose a model of the effect of ad expenditures on attitude. In essence, this model represents attitudes in the form of a preference-switching matrix where a certain proportion who prefer brand i in a given time period will prefer brand j in the following period. Regression analysis is then used to relate ad expenditures to changes in the preference matrix.

Aaker and Day (1971) used regression analysis on telephone panel data to demonstrate some significant effects of ad exposure on both awareness of and attitude toward six brands of instant coffee. As is typical of the survey method, however, their measure of the advertising variable was based on claimed exposure rather than on media expenditures.

Copy-Communication Effects Studies

Studies of the effects of ad copy on communication hierarchy variables may be sub-divided into pre-tests and post-tests (Boyd & Westfall, 1964, Ch. 15; Campbell, 1969a, b; Wolfe, *et al*., 1962, 1963). The former will be broken down still further according to which stage of the hierarchy, if any, they investigate (cf. Campbell, 1969b, p. 26).

At the first stage of the hierarchy of effects, we shall classify pre-measures of attention according to: (1) whether they are based upon uncontrolled physiological responses or controllable behavior and (2) whether they relate to orientation reaction (or arousal) or to interest (or positive reward value). These distinctions (which are discussed at length in another chapter in the study from which this Appendix has been taken) produce the following typology of attention measures:

	ORIENTATION REACTION OR AROUSAL	INTEREST OR POSITIVE REWARD VALUE
PHYSIOLOGICAL	Galvanic Skin Response (GSR) Basal Skin Resistance (BSR) Brain Waves (EEG)	Pupil Dilation
BEHAVIORAL	Looking Time Dwell Time	Operant Behavior or CONPAAD

Physiological measures of arousal have included Galvanic Skin Response (Kohan, 1968), Basal Skin Resistance (Campbell, 1969a, Appendix A), and brain waves or EEG (Krugman, 1971). Measures of orientation reaction to the overall ad based upon looking time have often been advocated (Leavitt, 1962; Wolfe, et al., 1969, p. 41; Wolfe, et al., 1963, p. 46), but only recently have Morrison and Dainoff (1972) provided a concrete example of this technique. Orientation reaction to individual elements within the ad has been gauged by the use of eye cameras to measure dwell time on each element of interest (Krugman, 1971). Eye cameras have also been used to measure pupil dilation as an index of interest or reward value (Hess and Polt, 1960; Hess, 1968; Krugman, 1964; Van Bortel, 1968; but cf. Blackwell, et al., 1970). The operant behavior index--sometimes called CONPAAD for "Conjugately Programmed Analysis of Advertising"--is based upon how hard a subject is willing to work (e.g., how many times he will push a pedal) to prevent the advertisement's fading from view and/or hearing (Grass and Wallace, 1969; Grass, et al., 1971; Lindsley, 1962; Nathan and Wallace, 1964; Wolfe, et al., 1969). Campbell reports that many of these laboratory attention measures (e.g., GSR, BSR, and pupil dilation) are available as syndicated services from firms such as Arbor, Inc., Audience Studies, Inc., and the Institute of Communications Research (Campbell, 1969a, Appendix A).

At the next level of the hierarchy, the perception or comprehension of advertisements has often been studied by exposing them to subjects for brief durations controlled by means of a tachistoscope or by exposing a different ad to each eye and determining which is dominant (Campbell, 1969a, b; Lucas and Britt, 1963; Wolfe, et al., 1963). Seymour Smith, Associates performs such tests on a standardized basis (Campbell, 1969a, Appendix A). In the marketing literature, a recent example of tachistoscope testing was provided by Gutman (1972),who used this technique to gauge the effects of layout on the identification of billboard ads. Berg (1967) combined binocular rivalry with tachistoscope exposures to demonstrate the effect of repeated viewing of underwear ads by nursing school students on lowering their perceptual threshold for such material.

Standard pre-tests of memory effects are typified by the Gallup-Robinson portfolio test (Boyd and Westfall, 1964, Ch. 15). In an example of private research on memory, Haller (1972) has suggested that the subjective scores of ads by judges on four criteria (pictorial value, empathy, interest, and clarity) can be used to predict day-after recall.

Using specific copy elements, Steadman (1969) successfully demonstrated that sexuality in illustrations decreases recall of brand names, though Myers and Haug (1967) failed to confirm their hypothesis that interrogative headlines produce greater retention than normal declarative headlines.

At the affective stage of the hierarchy, Greene and Stock (1966) argue that pre-tests should trace the effect of advertising on brand-related attitude and propose a simple experimental design which randomly assigns test copies of magazines to panels of subscribers, subsequently using mail questionnaires to measure attitude differences. Eric Marder offers a comparable method as a standardized service (MSI, 1968, p. 31). In an example of a laboratory pre-test of attitude effects, Wheatley and Oshikawa (1970) exposed high- and low-anxiety subjects to positive- vs. negative-appeal ads for life insurance and found that negative appeals were more effective than positive with low-anxiety subjects whereas the reverse occurred with high-anxiety subjects.

Finally, at the level of intention-to-purchase, Jan Stapel (1971) has recently demonstrated a questioning technique which begins by isolating non-users of a product and then compares the percents who indicate purchase intention among a vehicle's readers (e.g., 11%) and non-readers (e.g., 5%), (see his Table 5, which shows that such a pattern holds for a variety of products).

Several researchers have raised the argument--with which we wholeheartedly concur--that pre-tests should measure ad effects at more than one level of the hierarchy. Young (1972) thus espouses "a total evaluation technique which seeks to measure all aspects of a commercial's effectiveness, including attention and communication as well as persuasion..." (Young, 1972, p. 9). In accord with this prescription, Grass, et al. (1971) measured two links in the chain of effects--attention (using the CONPAAD technique) and recall (weighted by the ad-originator's judgment of the importance of each message link recalled)--and combined these in a multiplicative formula: attention value X weighted recall. Plummer (1972) also combined two levels of the hierarchy, defining Commercial Performance Score as the percent of respondents who display both proved (day-after) recall of the commercial and favorable associations with the brand advertised. Even more completely, Murphy (1971) used questionnaires to measure a chain of responses (attention, comprehension, significance, differentiation, activation) to commercials shown in a trailer laboratory and performed a factor analysis on the results which suggested that these stages were largely independent. Finally, a pre-testing technique--applicable to tv commercials or print ads--that taps several levels of the hierarchy is offered by Audience Studies, Inc., which takes continuous measures of Basal Skin Resistance and conscious interest (tv) or looking time (print) and collects questionnaire measures of recall, persuasion, and change in preference (Campbell, 1969a, pp. 90 ff., pp. 117 ff.).

Though the above discussion has focused on pre-tests of hierarchic stages, pre-tests have often employed dependent variables that lack a clear interpretation with respect to the hierarchy of effects. Perhaps the least desirable of such methods are those which study attitudes toward the ad itself instead of toward the brand. Such research is represented at the simplest level by the consumer jury method which asks respondents to rank ads in order-of-merit (Boyd and Westfall, 1964, Ch. 15; Lucas and Britt, 1963, pp. 105-107; MacLeod, 1958). Somewhat more rigorous ad-rating pre-tests include the Telpex technique, which uses group interviews to get evaluations of video-taped tv commercials (Caffyn, 1965), and a procedure recently developed by Wells, et al. (1971) in which respondents evaluate commercials on their humor, vigor, sensuousness, uniqueness, personal relevance, and irritation. In even greater depth, continuous moment-by-moment ratings have been obtained by asking respondents to turn knobs indicating their degree of liking or interest. A device of this type, called the Stanton-Lazarsfeld Program Analyzer, was first used to evaluate radio commercials (Lucas and Britt, 1963, p. 108), but the principle has since been extended to television with devices such as the Hopkins Televote Machine (Wolfe, et al., 1963, p. 47) and even to print ads via Carter's (1955) Content Response Code in which respondents place plus or minus signs in the margins of printed material. The trouble with all these methods, of course, is that, with few exceptions (e.g., Carter, 1955, p. 158), no direct link has been established between attitudes toward an ad and attitudes toward the brand advertised (Palda, 1966). Thus, to infer favorable brand attitudes on the basis of liking for the brand's advertisements requires an enormous leap of faith.

Another non-hierarchy variable too often used in pre-tests is the so-called "near behavioral measure" (Lucas and Britt, 1963, p. 118; see also MSI, 1968, p. 55). Coupon-return measures (Wolfe, et al., 1962, Ch. 6), for example, have a clear interpretation only in the mail order business where the coupon serves as a vehicle for the sale itself (Simon, 1971). The Schwerin theater technique also relies on a quasi-behavioral measure based on the change in pre- vs. post-exposure choice of which brand to receive as a raffle price (Buzzell, 1964b; Kelly, 1964). Clearly, this measure falls outside the conventional hierarchy since it relates to a lottery rather than to a purchase situation and since no money changes hands.

Post-tests of copy-effects on hierarchy variables have generally employed survey techniques and have therefore often confounded the effects of exposure, attention, perception, and memory (and frequently false claiming as well). It seems safest to regard most such work as a variety of retention study. In general they have employed some variant of the Starch recognition measure as the dependent variable. Starch (1966) himself presents a series of chapters relating various ad characteristics to his readership scores; he asserts, for example, that readership increases with color vs. black-and-white (Ch. 7), size (Ch. 8), and tallness-and-thinness vs. shortness-and-fatness (Ch. 9). In support of these findings, the Milwaukee Journal did a split-run test which confirmed the superiority of color ads in gaining recognition (see Gardner and Cohen, 1966). Troldahl and Jones (1965) studied the ability of four copy factors (ad size, product type, copy-picture ratio, number of items in ad) to predict a Starch-like measure of newspaper advertising readership, finding high ($\geq .64$) zero-order and partial correlations between ad size and recognition (see also Heads, 1968). Yamanaka (1960) used ad size, page on which ad appears, position on page, and type of layout to predict advertising readership. With a procedure more or less analogous to multiple regression on 0, 1 variables, he found $R = .89$ across 376 ads. Meanwhile, Greenberg and Garfinkle (1963) found that both recognition and recall increased with the percent of a magazine article (not an ad) devoted to pictorial illustrations.

These limited copy-effects studies all appear rather pale, however, when compared to the colossal endeavors of Twedt (1952). Still using a Starch-like readership measure, Twedt computed correlations between this recognition criterion and thirty-four copy variables such as size of ad, number of colors, number of illustrations, number of product facts, and so on (Twedt, 1952, Table 1). Of these, the nineteen statistically significant predictors were, in turn, inter-correlated, factor analyzed, and interpreted to suggest three key predictive ad characteristics: ad size, number of colors, and square inches of illustration. Regression analysis on these variables yielded a regression equation with an R of .76. Twedt then performed a step virtually unprecedented (and unrepeated) in advertising research. He used this same regression equation to predict readership scores for ads in other magazines, finding correlations between predicted and actual readership of .58 to .80 (mean r = .71). This test of predictive validity on a validation sample argues persuasively for the validity of Twedt's findings. More importantly, it demonstrates a superior methodological approach which other advertising researchers would do well to emulate.

Media-Sales Effect Studies

We may divide research on the sales effects of media into the experimental and non-experimental studies (cf. Campbell, 1969b, pp. 29 ff.; Lucas and Britt, 1963, p. 177; MSI, 1968, p. 10; and Simon, 1971, Chs. 2 vs. 3).

Experimental design exposing different geographical areas to different media (or copy) treatments have long been advocated and used actively by the United States Department of Agriculture (USDA). MSI considers such controlled market experiments "the closest practical approach to an Idealized Measurement Procedure" (MSI, 1968, p. 88). A good bibliography of the USDA's work in this area is provided by Miller and Strain (1970). Jessen (1961) presents a rather complete proposal for testing the direct and delayed effects of three different media budget levels using six test areas in a "switchover" design with two Latin Squares. Jessen gives only hypothetical data, however, and apparently no one has applied his method in the manner intended to measure the sales effects of different media budget levels (though Henderson, et al., 1961, used a similar design to evaluate the sales effects of alternative copy themes). Cox and Enis (1969, p. 94) describe a more modest USDA study which compared media advertising to four other promotional techniques using a Latin Square design with five test cities and found, surprisingly enough, that the effect of advertising on sales was negative.

Recently, a number of experimental techniques have evolved that control the exposure of respondents to different media (or copy) treatments. For a long time, the well-established principle of differential exposure to experimental treatments proved elusive in practice. To overcome this problem, Hans Zeisel once suggested the idea of exposure-denial--that is, recruiting a sample of people who are asked not to watch the vehicle of interest (see, Lucas and Britt, 1963, p. 183). This principle was put into practice by the (now defunct) Milwaukee Advertising Laboratory which set up two panels drawn from matched stratified samples of submarket areas. Since the areas had been established on the basis of newspaper routes, the panels could easily be exposed differentially to newspaper advertising. In addition, muting devices were installed so that television commercials could be blocked out for one of the panels (Simon, 1971, Ch. 2; Campbell, 1969b, pp. 29 ff.). Though the Milwaukee

Journal no longer operates the Advertising Laboratory, similar newspaper services are offered by the Des Moines Register and Tribune and by the Phoenix Republic and Gazette (Campbell, 1969a, Appendix A). Moreover, the use of cable television (CATV) has made possible the increasingly sophisticated manipulation of tv exposure (Wallerstein, 1967). An important standardized service offered by Adtel, for example, uses two stratified matched diary panels which can be differentially exposed to television commercials via two cable trunk lines. This and a number of similar designs are thoroughly discussed by Campbell (1969a, Ch. 5), who, in addition, offers his own single-market, multi-zone design which, he claims, would improve upon Adtel by assigning treatments at random to zones within various homogeneous blocks (see Campbell, 1969b, pp. 49 ff.). It appears that this claimed advantage hinges on the issue of whether zones are assigned randomly to treatment groups once when the panels are originally set up or are assigned afresh each time a new test is run. Campbell's insistence on the second level of methodological finesse seems to overlook the fact that most ad effects studies have not yet reached the first.

Relatively few experimental studies of media effects on sales have been published. A famous example from business, however, was conducted by DuPont and has been described by Buzzell (1964a). This study assigned three levels of advertising expenditure (the same, 150% increases, and 300% increases) to nine market areas and ran surveys to collect information on brand-choice, brand availability, and promotion by dealers' salesmen. The regression equation developed with these data was then used in a test of predictive validity on nine areas and was found to predict market share within plus-or-minus one percent. Rao (1970) has described an example from academia of a series of similar experimental studies in which various numbers of different levels of advertising expenditure, selling expense, and point-of-sale promotion were randomly assigned to as many as forty market areas. In spite of Rao's careful methodology (or perhaps because of it), sales figures (adjusted for trend) showed no significant main effects in any of these replications, though some marginally significant interaction effects appeared in the third replication (Rao, 1970, pp. 24 ff.).

Non-experimental studies of media-sales effects have received wider attention than the experimental, thanks to the impact of econometrics on this area of advertising research--motivated in part, perhaps, by the practical desire to make as much use as possible of previously existing (usually time-series) data. Perhaps the most interesting distinction between these studies (already alluded to in our discussion of the ideal differentiated segmentation strategy) relates to whether their models of the media-sales relation explicitly consider the lagged effects of current advertising on sales in future periods.

At the simplest level, such studies deal only with the static effects of current advertising expenditures on current sales. Meisner (1961), for example, used multiple regression to estimate the relationship between lettuce sales and a set of several independent variables which included radio, television, and newspaper advertising, finding that only newspapers produced a significantly positive partial correlation coefficient and that, in fact, two of the advertising variables had negative regression coefficients.

Seizing the opportunity offered by the recent General Motors strike, Buzzell and Baker (1972) used advertising and sales data for twenty automobile models to test the relation of actual/"projected" sales to the logarithm of actual/"projected" advertising expenditures (where "projected" referred to levels that would have prevailed in the absence of the strike). For October, November, and December, they found correlations of .08, .29, and .30, from which they concluded that advertising did have a short-term, non-linear effect on sales in this market.

A much more sophisticated static analysis was presented by Bass (1969) who developed a model of the advertising-sales relations in the cigarette industry which used four structural equations to represent (1) per capita sales of (a) filter and (b) non-filter brands (as linear functions of the logarithms of per capita deflated ad expenditures, deflated per capita disposable income, and deflated non-filter prices); and (2) advertising expenditures of (a) filter and (b) non-filter brands (as functions of sales of both types). A rather complex estimation procedure supported the validity of Bass' basic structural model (but see Dominguez and Page, 1971; Bass, 1971).

Early examples of distributed lag ad-sales models include the previously mentioned contributions of Vidale and Wolfe (1957), who gave no empirical data, and Kuehn (1961; Kuehn, et al., 1966). Kuehn's model is based on a form of the Bush-Mosteller learning theory (Kuehn, 1962a; but cf. Frank, 1962) which, in this application, becomes virtually indistinguishable from a first-order Markov process (Kuehn's, 1962a, protestations notwithstanding). Another key assumption is that those buyers who enter a pool of potential brand-switchers and who are susceptible to advertising effects display a certain purchase probability which is, in turn, the function of a so-called "Koyck-distributed" series of lagged advertising effects. Kuehn, et al. (1966) found a rather small role for the effect of advertising. The "Koyck-distributed lag" assumption, however, has become a battleground for much of the subsequent lagged-effects research.

Basically, the Koyck-distributed lag model represents sales (S) as a linear function of past advertising outlays (A) weighted by a factor (λ) which declines geometrically over time (t):

$S_t = a + b A_t + b \lambda A_{t-1} + b \lambda^2 A_{t-2} + \ldots\ldots$. Writing this equation for S_{t-1}, multiplying by λ, and subtracting from the above yields a more convenient form for estimation: $S_t = K + bA_t + \lambda S_{t-1}$.

The majority of recent econometric studies of ad-sales effects have dealt in one way or another with this basic Koyck-distributed lag model. Palda (1964) used time-series data on advertising and sales of a patent medicine to test a wide variety of lagged, logarithmic, and difference equation models. Using criteria discussed in Palda (1963), he concluded that the best-fitting regression equation was of the general form:

$$S_t = K + b \log A_t + \lambda S_{t-1} + \ldots$$

This conclusion was supported in a sales regression study of fifteen brands of liquor by Simon (1969b), who also searched through a wide variety of models to conclude that the best-fitting prediction of market share (MS) was of the form: $MS_t = b \log A_t + \lambda MS_{t-1}$.

Recently, doubt has been cast upon the logarithmic Koyck-distributed lag model by two studies of unnamed grocery products. Sexton (1970) used other marketing variables like product quality, price, and deals along with advertising in a logarithmic distributed lag regression equation and found that price and dealing variables had far greater relative weight than advertising in predicting brand share (p. 342). Meanwhile, Bass and Clarke (1972) compared six different lag structures and concluded that the Koyck version attained lower predictive power than models of more complex structure such as: $S_t = K + b_0A_t + b_1A_{t-1} + b_3S_{t-1}$. A further comparison of such models by Beckwith (1972), using data for the advertising and market shares of five brands of another unnamed product, found good fits with the Koyck-distributed lag model which were not improved upon by the more complex structures advocated by Bass and Clarke (1972). (Beckwith, by the way, checked the predictive validity of this model, with good results, against ten additional periods of data.)

Probably the most reasonable answer to this continuing debate over which model predicts best was recently provided by Rao (1972) who fitted data for the sales and advertising expenditures of six major cigarette companies with an enormous array of logged, lagged, and other varieties of model, truly too numerous to mention. In our view, the fairest appraisal of his results would be to say simply that no model emerged as clearly preferable.

Copy-Sales Effect Studies

Studies of the sales effects of advertising copy have also employed both experimental and non-experimental designs. In the last section, we discussed experimental designs which have been used in studies of media-sales effects. Similar designs (e.g., market area Latin Squares or split-cable television) have also been applied, of course, to copy-sales effect experiments. Here, however, we shall make a further distinction between control of exposure by individual subject and control of exposure by market area.

To illustrate exposure by individual subject, Berger, et al. (1969) randomly distributed copies of a train's menu, finding that exposure increased a passenger's probability of eating in the diner. This method happens to have been applied to a menu vs. no-menu comparison, but could just as easily have been used to ascertain the effects of menu A vs. menu B. One widely publicized standard service, Jenssen's (1966a, b) Teleresearch Technique, exposes supermarket shoppers to one of two ad versions in a trailer-laboratory and then compares the effects of the alternative ad copies according to how many of each group spend their money at the supermarket to redeem special cents-off coupons for the brand of interest.

An early experiment which controlled exposure by geographic market area was conducted by Henderson, et al. (1961) who adopted a switchover design comparable to that proposed by Jessen (1961, discussed above) to evaluate the direct and delayed effects of two different copy themes (a health theme and a use theme) on the sale of apples. Using covariance analysis to allow for uncontrolled but measurable variables such as a store's total sales of produce, apple prices, display space, and newspaper advertising, Henderson, et al. found that the use theme produced a significantly greater immediate sales effect.

More recently, Rao (1970) performed a control-by-area experiment intended to validate the ad-quality rating scores of a copy pre-testing service. A factorial design with two levels of ad quality (superior and poor) and three levels of ad expenditure created six treatment conditions which he assigned randomly to thirty stratified market areas. Analysis of variance on an adjusted sales measure, however, showed no significant main or interaction effects of ad quality and expenditure level.

Non-experimental studies of copy effects on sales might also rely on data from individual respondents or on broader market sales data. The Starch NETAPPS measure vividly exemplifies the former orientation (Starch, 1966). Netapps (Net Ad-Produced Purchases) is defined as the percent of claimed purchases among those who claimed to have noted the ad (P_n) less the percent of claimed purchases among those who did not claim to have noted the ad (P_{nn}) divided by the latter figure--that is, NETAPPS = $(P_n - P_{nn})/P_{nn}$ (Starch, 1966, Chs. 17, 18). Starch briefly discusses several studies showing that certain ad copy (soup ads, say, which present new types or a large number of types of soup) produces higher NETAPPS than other copy.

With respect to the market-based data, several writers have discussed research using Schwerin measures to predict market share (Schwerin, 1958; Kelly, 1964; Buzzell, 1964b; Dodd, 1964; Fothergill and Ehrenberg, 1965a, b; Buzzell, et al., 1965). Such studies have defined momentum (M) as the difference between prior market share and pre-exposure lottery-choice share, competitive preference (CP) as the change in lottery-choice share between pre- and post-screening measures, relative competitive preference (RCP) as the brand's CP less a norm for that product class, and expenditure (Ex) as change in television ad expenditure share. Kelly (1964) reported a study which regressed change in market share on M, RCP, and Ex and found r^2's of .34, .33, and .18 respectively, with an overall R^2 of .73 (though Buzzell, et al., 1965, explicitly contradict this figure). Moreover, Kelly found step-wise partial r^2's for M, RCP, and Ex of .34, .31, and .08, on the basis of which he concluded that qualitative copy variables are more important than quantitative media variables in changing market share. Meanwhile, Buzzell (1964b) described a study which used the post-screening lottery-choice share (P) as one of the independent variables. The partial correlation coefficient between sales and P was .64, as opposed to a partial correlation between sales and Ex of only .18. Buzzell also concluded:

> The implication is clear that message quality was of substantially greater importance than advertising expenditure in explaining the observed changes in market share (Buzzell, 1964b, p. 103).

AN EVALUATION OF ADVERTISING RESEARCH[*]

In evaluating marketing research generally, and advertising research in particular, we find it useful to employ a conceptual scheme that organizes the criteria upon which such a critique should be based. The exhibit below presents this conceptual scheme in the form of a typology of the criteria for evaluating research. The development of this typology takes as its initial premise the goal of scientific adequacy in marketing research, where 'scientific adequacy' might be defined in terms of the existence of a well-tested theory of the phenomenon under study. Such a definition of its goal implies that there are two key dimensions of research that merit attention: the adequacy of the theory itself and the adequacy of the test of that theory.

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[*] This section draws upon Holbrook and Hulbert (1972).

In considering the first dimension, we may appeal to the general theory of signs or semiotic which distinguishes between three aspects of the study of sign systems: syntactics (the study of the ways in which signs are combined), semantics (the study of the signification of signs), and pragmatics (the study of the origin, uses, and effects of signs) (Morris, 1946; Cherry, 1966). By analogy, three aspects of a theory (which is, of course, formulated in terms of some set of signs) may be distinguished: syntactic (how the theory's signs relate to one another), semantic (how they relate to their external referents), and pragmatic (how they may be used). The latter category may in turn be subdivided into two types of uses: description (that is, the use of the theory positively to represent, explain, or predict) and prescription (that is, the use of the theory normatively to prescribe a course of action for the user). The latter use necessarily takes into account the user's purpose, whereas the former may, in some sense, be value-free.

Each semiotic category thus suggests a type of criterion by which we may evaluate a given theory: its formulation (the logical consistency of the relations between its signs), its specification (the adequacy of its operational definitions), and its utility in describing some phenomenon or in prescribing a course of action.

Research--broadly defined--tests a theory in terms of these criteria. But the test itself (however favorable to the theory) may be more or less adequate. Methodological discussions of the adequacy of a test often distinguish between its validity and its reliability. A test's validity may be defined as the degree to which it accomplishes what it purports to accomplish. Test reliability, on the other hand, refers to the extent that it obtains the same results if repeated under some set of different circumstances. These are intentionally broad definitions which cut across the semiotic distinctions between aspects of the theory itself.

A typology may be created by arraying the semiotic categories against the distinction between test reliability and validity. Such a cross-classification produces a framework within which to consider criteria for the evaluation of research that typically arise in methodological discussions. It organizes and provides the conceptual underpinnings for criteria such as the logical consistency of a theory, its logical transferability from one domain to another, the validity and reliability of its operational definitions, the internal validity of tests of the theory as well as their significance and strength, and finally, the generalizability of such tests.

A Typology of the Criteria for Evaluating Research

ADEQUACY OF THE THEORY	ADEQUACY OF THE TEST	
	VALIDITY	RELIABILITY
SYNTACTICS	Logical Consistency	Transferability
SEMANTICS	Measurement Validity	Measurement Reliability
PRAGMATICS-DESCRIPTION	Internal Validity	Statistical Significance
PRAGMATICS-PRESCRIPTION	Strength of Association	External Validity

Alternative schemes for the evaluation of advertising research have been offered by MSI (1968)--under the rubric IMP (Idealized Measurement Procedure)--and, more recently, by Plummer (1972) and Young (1972). These formulations appear less general than ours and thus do not seem as useful to anyone interested in extending the principles involved beyond the relatively narrow area of their application to advertising research. In the discussion which follows, however, we shall retain this same specific focus on advertising research and shall apply each cell of our schema to an evaluation of the kinds of research techniques enumerated in the last two sections.

Logical Consistency

This criterion refers to the degree to which the test of a theory represents a formally adequate structuring of its hypothetical constructs--that is, to the logical rigor with which testable hypotheses are derived from a set of abstract theoretical relationships.

At the most basic level, we may question the ways in which the ideal or even the approximate segmentation strategies have been translated into advertising models. The differentiated segmentation and selective segmentation models both refer ultimately to all the variables in the marketing mix. Interactions presumably occur between advertising variables and other variables--such as price, distribution, and quality--which moderate the effects of advertising (Kuehn (1962b). *A priori* analysis alone suggests, for instance, that if a brand is not available in the retailers' stores, advertising cannot have an effect on its sales (Gensch, 1970). Furthermore, advertising effects cannot logically be considered in isolation from the actions of competitors, for if each advertising change is matched by the competition, advertising can have little effect on selective demand. Kuehn's model (1961, Kuehn, *et al.*, 1966) has explicitly accounted for such interaction and competition effects. But the vast majority of advertising research has considered advertising only in isolation, as if it were an atomistic variable operating independently of other marketing mix variables and without reference to competition (Kotler, 1967, Ch. 18).

A second logical weakness in advertising research lies in the pervasive concept of the hierarchy of effects. In its most prevalent form, this hypothesis commits the fallacy of linear thinking by ignoring the logical possibilities, (a) that one communication stage may not be necessary or sufficient for the occurrence of a later stage and (b) that a "later" stage may exert a feedback effect on some "earlier" stage. In support of these logical possibilities, numerous reviewers of empirical studies bearing on the hierarchy of effects have reached the same fundamental conclusion that no reliable relationships have yet been demonstrated between earlier and later stages (Haskins, 1964; Ramond, 1965; Palda, 1966; MSI, 1968; Halbert, 1972). Moreover, arguments such as those from cognitive dissonance theory or the concept of "learning without involvement" assert that purchase behavior may precede attitude change (e.g., Krugman, 1965) or even conscious changes in perception (e.g., Preston, 1970). Meanwhile, researchers such as Hess (1968; Hess and Polt, 1960) have thoroughly documented the process by which attitude affects attention. Putting all such objections together, it seems safe to conclude that, logically, any hierarchic stage may be skipped; any stage may be a dead end; and any stage may respond to feedback from supposedly later stages.

Transferability

Many applied fields, such as marketing, adopt a rather eclectic approach to theory-building in which applicable concepts are borrowed from other disciplines, such as the behavioral sciences. The problem of transferability arises when theories emerge from the "integration" of such borrowed hypotheses. In these cases, models drawn from disparate domains may not be logically consistent when transferred to and combined in another domain. Consider, for example, the following four propositions, widely recognized by advertising theorists: (1) pupil dilation is one component of orienting response which facilitates the intake of information (Berlyne, 1960); (2) intake of information promotes attitude change along the hierarchy of effects (cf. Palda, 1966); (3) increasing favorability of attitude prompts greater pupil dilation (Hess and Pott, 1960; Hess, 1968); (4) attitude change must decline as attitude increases (the ceiling effect in scaling theory). Obviously these propositions are not mutually compatible since (1) and (2) imply that pupil dilation and attitude change are positively related while (3) and (4) imply just the reverse. Reliance on all four therefore places the advertising researcher in something of a dilemma.

Measurement Validity

This criterion involves at least two components--definitional validity (the extent to which some operational definition actually taps the meaning of the variable of interest) and instrument validity (the degree of freedom from contamination between measures in a given test--here the key requirement is that the measures themselves be independent, not both determined by some spurious factor). We shall look at these problems first with respect to econometric studies and then with respect to survey questionnaires--though the problems also occur, of course, in experimental work.

Studies using econometric marketing data have often found such data inadequate to the task of establishing definitional validity. Quandt (1964), for example, outlines the poignant problems that arise because of the unavailability of data for key independent variables. Even when such data exist at the aggregate level, their assignment to cross-sectional breakdowns may prove refractory. Consider, for example, the difficulties of allocating ad dollars spent in national media to local areas or of establishing the attention devoted by multi-product salesmen to a particular product of interest. Such measures generally fall back upon some more or less arbitrary basis of allocation, in which case questions of validity arise.

Kuehn and Rohloff (1967) have pointed out that data-handling procedures in econometric studies often violate the assumption of independent measures. Most saliently, placing cross-sectional data on a per capita basis has the effect of multiplying each pair of measures by the same larger or smaller number, thereby injecting a bias toward a spurious relationship between them. The otherwise exemplary simultaneous regression study by Bass (1969), for example, engaged in this dangerous practice. Another such dangerous practice appears in the Schwerin studies reported by Kelly (1964) and Buzzell (1964b) and discussed above. As Fothergill and Ehrenberg (1965a) pointed out, measures of change in market share and of momentum both contain lagged market share so that this variable appears on both sides of the equation (see, however, the reply of Buzzell, et al., 1965). Similarly, to give another example, measures used in time series regression may not be independent if both are increasing with time. In this connection, Aaker and Day (1971) appear not to have ruled out the possibility that their advertising, attitude, and purchase measures were all mutually dependent upon some temporal trend.

Questionnaire data also encounter these problems of measurement validity. With respect to the definitional validity of independent variables, for example, Rao (1970) found poor ability of an interview-based ad-rating method to discriminate between ads which copy-writers had purposely created to be either superior or poor. Dependent variables have faired even worse, as a review of our discussion of ad recognition measures will suggest. Such measures confound exposure, attention, perception, and retention, while at the same time allowing a considerable degree of false claiming.

The instrument validity of questionnaire methods has also often been called into question. Wells (1961, 1963) has discussed the systematic bias injected by a "yeasaying" response tendency. Yeasayers tend to overclaim magazine readership or advertising recall and to give higher attitude ratings at the positive end of the scale. Clearly, measures can no longer be considered independent when they reflect this kind of systematic bias.

The yeasaying examples refer to a bias injected by the respondent. Systematic tendencies for measures to reflect one another could also stem from the response style of the interviewer or from oversights on the part of the researcher himself. One example of the latter type of methodological breakdown occurred when Troldahl and Jones (1965) tested the relationship between ad readership and type of product advertised. These researchers measured product-type "according to the median readership score" so that "Products which received high average readership were assigned higher weights" (Troldahl and Jones, 1965, p. 25). Since readership scores thus served as the basis for product-type measures, it does not seem surprising that relationships appeared between the two variables.

Measurement Reliability

In general, measures gain in reliability to the extent that they produce consistent results: (a) between tests or observers and (b) between times administered. There are four resulting types of measurement reliability.

(1) split-half reliability (same test, same time): the degree of correlation between randomly selected halves of a test;

(2) test-retest reliability (same test, different times): the degree of correlation between scores on a test administered at different times;

(3) inter-observer reliability (different observers, same time): the degree of correlation between scores given by two observers of the same phenomenon;

(4) equivalent form reliability (different tests, different times): the degree of correlation between two scores on two different, but hypothetically equivalent forms of a test, administered consecutively.

Although often advocated in marketing research texts, checks on measurement reliability are seldom encountered. A noteworthy exception which focused on the inter-observer reliability between advertising researchers was the Advertising Research Foundation's PARM study which attempted to replicate both the Starch and Gallup-Robinson readership measures (Lucas, 1960). ARF's measure correlated highly with Starch scores for both women and men (r^2 = .85 and .74), but less well with Gallup-Robinson scores (.68 and .37, respectively). The latter technique--which, to a large extent, avoids the false claiming that biases the Starch scores--therefore seems less replicable than its rival, thus presenting a trade-off between measurement reliability and validity.

Internal Validity

Internal validity refers to the extent that an empirically established relationship permits a causal interpretation. For such an interpretation, two conditions must be met: (1) the independent or treatment variable must precede the dependent or effect variable in time (so as to establish predictive- vs. merely concurrent-validity); and (2) alternative hypotheses must be ruled out by insuring that treatment groups are equivalent to start with (see, for example, Green and Tull, 1970, pp. 80-82). The second condition may be attained *ex ante* via experimental design (which features random assignment to treatment groups) or approximated *ex post* (by controlling statistically for extraneous factors by means of covariance analysis, partial correlation, contingency tables, and so on).

With respect to the first condition, advertising survey research has too often measured independent and dependent variables simultaneously or--worse yet--in reverse order. Such a design, by failing to control for the time order of variables, leaves open the possibility of reverse causality (where the presumed dependent variable actually causes changes in the presumed independent variable). Ramond (1965) has suggested that much of the confusion concerning whether communication effects determine sales changes stems from research designs that measure attitude effects by surveys *after* store audits have already measured sales changes. Such designs make it impossible to rule out the alternative hypothesis that purchase caused attitude change. Numerous recent examples exist of reverse causal hypotheses left open by simultaneous measurement.

Vinding (1964) concluded that belief of certain copy claims promoted brand choice without ruling out the possibility that purchase of a brand encourages belief of its copy claims. Mason (1969) showed that those who knew his company's slogan tended to rate it higher on nine attitude scales without ruling out the possibility that favorable attitudes toward a brand promote attention to its ads. Schwartz (1969) showed that respondents who rated a given make of car differently tended to occupy different classes with respect to how seriously they would consider buying that make and concluded: "these ratings indicate that it may be a more profitable advertising approach to stress these aspects of the product in order to accomplish the objective of moving consumers from one level of preference to another" (Schwartz, 1969, p. 24). Such an interpretation, however, neglects the obvious possibility that a higher level of preference generates more favorable brand ratings. An unusually forthright approach to the problems of reverse causality was taken by Palda (1966) who used three waves of data on brand awareness and market share to run 70 different regressions encompassing various lagged, logged, and differenced values of the variables. He found that the strongest relations existed between the concurrent measures of awareness and market share; lagged regression, which would have been more consistent with a causal interpretation, simply did not give as good fits. Palda concluded:

> it cannot be said that the data from these surveys confirm the hypothesis that awareness tends to precede or even to contribute to rate of purchase. They only show that higher awareness coexists with higher purchasing rates (Palda, 1966, p. 20).

Turning now to our second criterion for internal validity, we find that alternative hypotheses due to possible systematic differences between groups have often plagued research based on static group comparisons of groups that are and are not exposed to ads. Since such exposure groups are self-selected, the possibility always remains that the groups differ systematically to start with and that this difference caused both the exposure and the attitude or purchasing behavior. Coffin's (1963) study, for example, used interviews on tv viewing habits and purchasing behavior to find that brand usage was 20.5% among those exposed vs. 16.9% among those not exposed (Table 1) and that, where exposure increased, brand usage also increased (Tables 2-5). Such data, however, cannot rule out the interpretation that whatever causes people to stay home and watch television (the presence of young children in the family, say), also causes them to consume the products studied (canned soup, home permanents, headache remedies, and so on). The study mentioned by Starch (1966, Ch. 19) showing a higher percent purchase of wieners among Braves-game listeners (42%) than among non-listeners (35%) can similarly be explained by the hypothesis that a particular type of taste accounts for both types of behavior.

Belson (1956) has proposed a technique for partially overcoming self-selection bias. This technique is akin to covariance analysis in that it uses variables related to the dependent variable to predict the dependent variables and then performs the remaining comparison of exposed vs. non-exposed groups on the residual scores. Such a technique may indeed help correct for bias due to the fact that the groups differed in initial levels of the dependent variable, but it can not remove bias due to the fact that self-exposed groups may be more easily persuaded.

Several of the problems in internal validity discussed above are exemplified by the Starch NETAPPS measure of purchase effects (Starch, 1966).

Starch's design is of the static group comparison type, wherein claimed ad readership is related to claimed purchase behavior. As numerous critics have pointed out, Starch fails to rule out the possibility that purchase promotes ad readership, that some other factor such as interest in the product class contributes to both types of behavior, or that a generalized tendency to say "yes" causes both types of claim (Ramond, 1965; Rotzoll, 1964; Wells, 1961, 1963; Wolfe, et al., 1962, Ch. 3). To this last charge, however, Starch (1966) has replied that about the same purchase rate is found among non-noters and claimed readers of issues that did not carry the ad (Ch. 18).

Statistical Significance

This criterion takes account of the fact that--due to measurement irregularities, omitted variables, and random fluctuation--variance occurs in the measured level of any statistic for any sub-sample. Hence, when finding a correlation in survey data or a difference between experimental groups, the researcher must attempt to estimate whether the magnitude of the relationship establishes a sufficiently low probability that it resulted from chance variation. Tests for statistical significance determine the probability that a given relationship could have occurred due to chance alone and thus gauge the reliability of finding the same results in a replication of the test.

Neglect of significance tests has often been found in advertising research (see, for example, Greenberg and Garfinkle, 1963, or Wheatley and Oshikawa, 1970). A particularly interesting example, however, appears in Williams' (1963) use of trial-and-error to find a set of weights for ad expenditures in the four most recent periods with which he created an advertising pressure index which he, in turn, inserted into a second degree polynomial equation that gave a good visual fit to ten pieces of data. Such an estimating procedure involves the implicit loss of at least seven degrees of freedom so that we must doubt whether a relationship based upon only ten data points could have been statistically significant.

Strength of Association

Prescriptive applications, however, require more than simple statistical significance. Given a sufficiently large sample size, any relationship--no matter how slight--will pass tests of significance at a given probability level. There must therefore be some criterion to establish the importance or strength of the relationship. The extent to which a relationship reduces error in prediction--its proportional reduction in error (PRE)--is one such criterion. PRE measures include proportional reduction in variance (r^2), the coefficient of association ($A = 1-(1-r^2)^{\frac{1}{2}}$), which estimates the proportional reduction in standard error (Ekeblad, 1962, p. 512), or information theoretic measures of proportional reduction in uncertainty, which are particularly useful in the case of non-continuous data (Attneave, 1959; Garner, 1962). The relative merits of such measures of strength of association are seldom discussed by advertising researchers, with the exception of Bass, et al. (1968, see above) and of Palda (1963) who inexplicably rejects r^2 in favor of the absolute standard error of the residuals on the grounds that r^2

> is a relative measure, depending not only on how well the regression line fits the observations..., but also on the amount of the dispersion in the sample observations of the dependent variable (Palda, 1963, p. 38).

While this statement is itself correct, we continue to prefer what Palda himself admits is the relative measure. Using this criterion, Quandt (1964) complains about the low r^2's found in econometric studies of ad effects (see also Fothergill and Ehrenberg, 1965a). In general, however, no overall conclusion concerning the proportional reduction in error found in advertising research seems possible, especially since so few ad effects researchers concern themselves explicitly with this important criterion.

External Validity

Finally, external validity refers to the reliability of generalizing some finding from the domain tested to the real-life domain of interest for prescriptive purposes. We ask how reliably do results obtained from a given study apply to a situation in which we wish to take some managerial action. ("Validity" is really a misnomer for this criterion because in essence it involves the issue of similar results under different circumstances or what we have been calling "reliability"; nevertheless, we shall designate this concept by its traditional label.) Four interrelated problems in external validity may be distinguished: (1) the degree of realism of the independent variable(s); (2) that of the dependent variable; (3) the generalizability of the relationship itself; (4) the representativeness of the sample on which the findings are based.

(1) Survey-based advertising research has an advantage in external validity over most psychological research in communication in that the receiver is treated as an agent active in his own exposure to the message. Field studies, in other words, generally allow advertising exposure to occur through natural day-to-day contact with the media. As we have seen, however, advertising researchers sometimes trade this advantage for the gains in internal validity offered by laboratory experimentation. Thus Jenssen's (1966a, b) Teleresearch technique uses forced exposure to commercials, as does the Schwerin theater test (MSI, 1968, p. 41, pp. 71 ff.; Wolfe, et al., 1963, p. 8). Hovland (1959) himself pointed out that the forced-exposure techniques used in experimental communication research present conditions very different from those that prevail in real-life selective exposure. Attention, perception, and memory are all heightened; in addition, there is a tendency to use one (vs. many) message for short (vs. long) periods. This difficulty is deeply aggravated by what we might call the "vicious cycle" of advertising research in which the problem of external validity raises the need to study psychological mediators like attention, perception, memory, and attitude while--as Maloney (1963) and Leavitt (1962) argue--these variables can presently be adequately studied only by laboratory techniques (since we lack good field measures of the intervening psychological processes but have some hope of measuring such variables through the use of eye cameras, tachistoscopes, and other laboratory devices). Hence we are confined to the pursuit of internal vs. external validity even when trying to escape from it. In this sense, there is bitter truth in Bogart's (1969) charge that "One of the underdeveloped areas in advertising research is the understanding of how communications are received in their real-life settings" (Bogart, 1969, p. 6).

(2) Trade-offs have also occurred in favor of internal validity at the expense of the external validity of the independent variable. Mendelsohn (1962) criticized the experimental tradition of psychological research in communication for the unrealistic nature of attitudinal dependent variables as compared with the action-outcome variables that are of greatest interest for managerial purposes. Indeed, as ad research moves from the field to the laboratory, we note a tendency to use proxy measures such as preference tests or Schwerin's CP score as substitutes for the sales measures that are of most direct concern to the advertising manager.

(3) A serious, but often neglected problem relates to the external validity of the relationship itself. Considerable search bias is introduced by running through a large set of possible relationships until a well-fitting equation is found or by testing a long string of hypotheses until one or two are supported. Findings obtained in this manner should be regarded only as tentative hypotheses to be tested on a validation sample (Frank, _et_ _al_., 1965). As we pointed out above, Twedt's (1952) compendious study of the effects of advertising copy elements on readership scores provides a rigorous example of such a follow-up validation study (see also Beckwith, 1972).

(4) Finally, the external validity of research rests upon the representativeness of the sample on which it is carried out. In this respect, most advertising studies earn high honors, for they almost always select samples composed of real market-involved consumers rather than the college sophomores who populate the samples of much psychological experimentation (but cf. MSI, 1968, pp. 71 ff.; Wolfe, _et_ _al_., 1963, Ch. 2).

CONCLUSIONS

We may summarize our discussion of advertising research by setting forth some broad conclusions concerning shortcomings in the state-of-the-art and directions which future research in advertising might take.

Returning to our typology of advertising research, it appears clear that a disproportionate amount of this work has focused on the effects of quantitative media expenditures as opposed to those of qualitative copy variables (cf. Buzzell, 1964b). Even where interest has nominally centered in copy effects, the independent message variables have often consisted of those which could be expressed in quantitative form, such as ad size or color vs. black-and-white--variables which bear little relation to what the ad actually _says_ and could, in fact, be measured in purely dollar terms (see, for example, Starch, 1966; Twedt, 1952; Wolfe, _et_ _al_., 1966, Ch. 7). Furthermore, when qualitative message differences have been considered explicitly, such comparisons have usually been of the _ad_ _hoc_ variety, comparing copy A with copy B (Henderson, _et_ _al_., 1961; Jenssen, 1966a, b; Rao, 1970). Sometimes the effects of particular copy elements, like interrogative (vs. declarative) headlines, have been studied without tying the message variable to any overall conceptualization of qualitative copy characteristics (Myers and Haug, 1967).

Common to all such approaches, then, is the failure to develop a useful typology of significant varieties of advertising copy as a basis for the empirical investigation of copy effects. To be sure, Simon (1971, Ch. 14) provides a start toward such a classification, but we find no data to support his typology, and indeed the scheme seems so rambling as almost to preclude empirical investigation.

The study from which this Appendix has been taken attempts to cope with this problem by offering a simple, operational typology of advertising copy based upon two key dimensions: (a) the balance of "denotative" (factual) vs. "connotative" (evaluative) content (cf. Simon, 1971, Ch. 15); and (b) the level of subjective message uncertainty in an information-theoretic sense of that term. Together, these two characteristics produce a four-way classification of message types which can be used as the basis for a two-by-two factorial design in experimental work or for adjusting exposure measures in survey studies of advertising effects.

Turning now to the second dimension of our typology of advertising research, we must recall our distinction between advertising strategies based upon the ideal differentiated segmentation model and those based upon the approximate selective segmentation model. We found that advertising research techniques were at a rather primitive stage in comparison with the informational inputs demanded by the ideal model. Whereas this ideal model requires individual response curves for each copy-vehicle-segment combination, our review of the sales-effect research has shown that even aggregate media-sales relationships have eluded easy measurement.

In the face of these breakdowns in the applicability of the ideal model, many managers have turned to the approximate selective segmentation strategy which calls for information concerning copy and media effects upon communication objectives. Hierarchy-of-effects studies, however, have typically retained a long-run temporal perspective, focusing on how many buyers have reached a certain stage in the hierarchy rather than on the shorter-term process by which one psychological variable does or does not affect another. At the same time, the domino-theoretic assumption of a linear progression along the hierarchy has often encouraged the use of communication variables as proxy measures of sales effects with, again, a resulting neglect of the intervening psychological processes. Even those few studies which have measured several stages along the hierarchy have reported no reliable relationships between stages in the chain of communication. The result has been a gap in our understanding of the chain of psychological effects which presumably intervenes between initial ad exposure and ultimate purchase behavior.

This gap, we submit, has caused the widespread distrust of communication effects measures expressed by some researchers and managers interested in applying the approximate selective segmentation strategy. For this strategy depends upon a knowledge of how ad messages are selectively attended to, perceived, and remembered by the target segment, how the copy alters their perception of the brand in the brand space and their resulting attitude toward it, and finally how such psychological effects culminate in purchase behavior. Only by studying this chain of effects in its entirety will advertising research be adequate to the task of supplying the information needed for the application of a selective segmentation strategy in advertising management.

The study from which this Appendix is taken therefore attempts to deal with the overall series of psychological variables that intervenes between message exposure and attitude or purchase intention. In short, we propose the need for laboratory experimentation on the process by which copy variables such as denotativeness/connotativeness or uncertainty affect each stage of the hierarchy (attention, perception, short- and long-term memory, attitude, intention) with earlier stages held constant statistically (via covariance analysis or partial correlation).

Such studies fall into the lower left-hand corner of our typology of advertising research, in the cell which contains studies of copy effects upon communication measures. Our methodology has most in common with the forced-exposure laboratory pre-tests, but survey post-measures of copy effects also bear on the relationships of interest and, as we have seen, may gain in external validity what they lose in internal validity.

This review of advertising research suggests that these studies have just begun to yield useful findings. Whatever happens in the other cells of the advertising research typology, studies of the effects of copy on communication variables should prove an exciting and important research area for years to come.

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APPENDIX THREE[1]

An Annotated Bibliography of the Testimony, Written Submissions and Other Documents Submitted for the Public Record

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[1] Note on the Use of Appendix Three

Wherever possible, material is alphabetically indexed by author. Where this was infeasible, the name of the sponsoring institution was utilized. Unauthored magazine articles were indexed by name of the magazine. All Appendix Three material is included in the Subject-Author Index (page D-1), which should facilitate its use.

Aaron, Daniel. Written Submission.

Refer to Julian Cohen's written submission.

Aaron, Daniel. Testimony (T1127-1159).

For details see Mr. Julian Cohen's Testimony.

Abrams, George J. Testimony (T1768-1787)

In his testimony Mr. Abrams covered the following topics: numbers of new products (T1768), new brand failures (T1771-1772), examples of new product failures (T1774-1775), research steps before introducing new product to market (T1776-1777), what makes a new product successful (T1777-1784), and effects of successful product on market place (T1784-1787).

Achenbaum, Alvin A. Written Submission.

Discusses the lack of "manipulation" in advertising both as function of intent to manipulate and lack of ability really to do so. Presents concept that marketing makes business responsive to consumer's expressed views rather than seeking to sell what it thinks they should want or what business wants them to want. Discusses strategy and execution. Presents empirical evidence on attitudes, purchase behavior, and how the advertising process works.

Concludes that consumers are not passive participants in their purchasing behavior and that advertising is not manipulative.

Achenbaum, Alvin A. Testimony (T604-666).

Mr. Achenbaum read only portions of his written testimony in the interest of time. During the discussion that followed Mr. Achenbaum referred several times to the written submission. The discussion included: manipulation vs. persuasion (T610-611), drug advertising and the drug culture (T612-615), manipulation and deception (T617-618), loss of confidence in advertising (T6222), importance of advertising (T627-628), brand switching (T628-630), homogeneity of products, reliability of producer and manipulation (T631-637), definition of advertising (T638), advertising and attitudes (T657-658), children and advertising (T658), and teenagers and advertising (T663-665).

"Action for Children's Television (ACT) Proposal Accepted as Rule Making Petition" Public Notice from the Federal Communications Commission, Washington, D.C. February 12, 1970.

The FCC announces its acceptance of a submission from ACT which urges that three rules be adopted to govern all programming for children. The rules urge no sponsorship or commercials during children's programming, and also at least 14 hours per week of programming specifically for children.

Action for Children's Television. "Mothers' Attitudes Toward Children's Television Programs and Commercials," Prepared for ACT by Daniel Yankelovich, Incorporated, March, 1970.

This is a report on a pilot survey on the attitudes of mothers of children under twelve years of age toward both television programs and commercials directed at the child audience. Ten focused group interviews were conducted with mothers of different income levels and racial backgrounds.

The report contains a statement of hypotheses to be tested in a large scale survey, a copy of the group moderator's guide, a summary of each of the sessions prepared by the moderator, and the actual tapes of the group sessions.

Action for Children's Television. Act Newsletter, Vol. 2, No. 1 (Spring 1971).

A newsletter presenting new actions, and proposed ones, regarding children's television. Recommendations of the Child Development and Mass Media Forum are presented; several children's programs are commended; ways individuals can help in the drive to improve children's television as well as a request for financial support for ACT are a part of this newsletter from Newton, Massachusetts.

Action for Children's Television (ACT). Comments before the Federal Communications Commission, Docket No. 19142, RM-1569, July 2, 1971.

An extensive petition of Action for Children's Television (ACT) for rulemaking looking toward the elimination of sponsorship and commercial content in Children's Programming, and the establishment of a weekly 14 hour quota of children's television programming. A detailed examination of programming and advertising practices directed toward children. Included is a copy of Programming and Advertising Practices in Television Directed to Children: Another Look, a study prepared for ACT by Ralph M. Jennings and Carol J. Jennings.

Action for Children's Television (text prepared by Evelyn Sarson) September, 1971.

This is the first publication in book form of Action for for Children's Television, the edited transcript of the first National Symposium on Children and Television held October 16 and 17, 1970, supported by a grant from the Ford Foundation. Through the speeches of a number of authorities, ACT tries to indicate what it feels television is presently doing to children and tries to suggest possible courses of action which would give television purposes other than making consumers of children.

Adams, Whitney. Written Submission. Directed at the subject of how modern television advertising plays on the fears and anxieties of women.

Explains that women have been reared and trained to believe that the ultimate achievements and fulfillments of their lives are the attraction of males, success in getting a husband, satisfying completely all his needs, and placing the welfare of family and home above all, including themselves. States that ads directed at women play on their anxieties and fears of not achieving these goals. States further that these same ads are also deceptive in that they promise results from using a product that can in no way be connected with the properties of the product. Offers numerous examples of such ads.

Adams, Whitney. Testimony (T1843-1858).

After presenting her prepared statement, Ms. Adams answered questions from the commissioners. Topics discussed included deceptive advertising (T1852-1858), especially as pertaining to women.

Advertising Age. "100 Leading National Advertisers in Six Media: 1970," Advertising Age, May 17, 1971.

A list of the 100 leading national advertisers and a breakdown of how money was spent over six media; magazines, newspapers, spot television, network television, network radio, and outdoor advertising.

Advertising Age. "TV Viewing is Still on the Increase, Nielsen Reports," Advertising Age, May 24, 1971, p. 14.

Short article gives some statistics from "Nielsen Television '71," which shows that television watching is still on the increase. Household TV usage for 1970 averaged 6 hours per household per day, and an estimated 60,100,000 households in the continental U.S. have TV sets. Sunday evening was the most popular viewing night, with viewing reaching a peak between 8 and 10 p.m.

Advertising Age. "National Ad Investments in Newspapers, '70 vs. '69," Advertising Age, June 7, 1971.

Lists advertisement investments in various product categories for 1969 and 1970 as arranged by Media Records, Inc.

Advertising Age. "Top 100 National Newspaper Advertisers, '70 vs. '69." Source: Bureau of Advertising, ANPA. Advertising Age, June 7, 1971.

Lists rank and investment for 1969 and 1970 of the 100 leading national newspaper advertisers.

Advertising Age. "Food Was TV Top Customer in '70: TV B," Advertising Age, June 7, 1971.

According to the Television Bureau of Advertising, the food industry spent $616,300,000 in network, spot and local television, making it TV's number 1 client. The article gives a variety of statistics on how this money was divided among food categories, and differences in network versus local spending.

Advertising Agency Magazine. "You Can't Escape MR," Advertising Agency Magazine, January 3, 1958, pp. 20 - 33.

In a comprehensive look at motivational research as used in advertising, the authors conclude that terminology and sensationalism have been the two major obstacles to the full use of motivation research by advertising agencies; that more and more agencies are using MR, but differ to the extent to which they use it; that its basic purposes are to provide guides for market planning and ideas for creative people; and that the MR setup within agencies varies, but works best when integrated with every agency department. Trained professionals on staff are very useful but not absolutely essential, since qualified outside organizations can fill this need. A logical sequence of steps in using MR, usually beginning with a hunch, can be expected to give "direction" but is not a panacea for all problems.

Advertising Control. No source given, 15 pages.

Gives details of the regulation of commercial television in the United Kingdom. Topics covered include amount and distribution of advertising, control of standards of advertising, advisory panels and committees,code of advertising standards and practice and its application, with appendices on advertising and children, financial advertising, advertising of medicines and treatments and a summary of statutes affecting television advertising.

Advertising Quarterly. "Pinpricks and Principles," Advertising Quarterly, Fall 1971, pp. 4-5.

States that, in Britain, the control of advertising should be done by someone sensitive to the problems and needs of advertising rather than by a government committee.

Ambrosino, Lillian. Written Submission

Refer to Frederick C. Green's written submission.

American Cancer Society. "The Teenager Looks at Cigarette Smoking," undated.

A 1969 study, sponsored by the American Cancer Society and conducted by Lieberman Research Inc., looked at teenage cigarette smoking habits, attitudes and motivations in the

United States. The study was based on a nationwide sample of 1,562 teenagers 13-18 years old. The study revealed that while a large majority of youngsters opposes cigarette smoking and recognizes it as a cause of cancer; by the time they are 18, three out of four youngsters have tried cigarettes and 42% are current smokers. The study report contains a series of action recommendations designed to help induce teenagers who do not smoke to refrain from taking up the habit and to persuade teenagers who smoke to give up the habit.

American Cancer Society. "A Three-Year Follow-Up Study of the Incidence of Cigarette Smoking by Performers on Television Programs." Prepared by Lieberman Research Inc. for the American Cancer Society, May, 1971.

A 1968 study found that cigarette smoking by performers on television programs was quite widespread, and the present study was to determine the nature and magnitude of any changes that had occurred. The current study involved monitoring network television programs and recording those instances where smoking occurred during the course of the program. Results indicate a significant decline, an across-the-board drop in cigarette smoking on almost all types of programs.

Arena, Jay. Written Submission.

Expresses shock at commercials for vitamin pills which stress their candy-like nature.

Arnold, Maxwell. Written Submission.

Criticizes the advertising industry for lack of social responsibility, lack of moral conscience, dishonesty, deception, misrepresentation, and contempt for the consumer and the audience. Blames both agency and client. Urges FTC to shake-up advertising with wise, rational, objective, intelligent pressure.

Comments on the following questions:

- When should an ad be judged by what the audience sees rather than by what the advertiser intended?
- How much should advertising tell about the drawbacks of the product?
- Should an ad deal with all salient characteristics?
- Who decides what is salient, and how do you fit 30 salient points into 30 seconds?
- Is the switch to 30-second TV spots a cause of less information in ads?
- Should advertising addressed to children be judged by a different standard?

- When is it fair to sell a product by its "psychic" as opposed to "mechanical" benefits?

Cites fierce competition among and within agencies; and between clients as the reason for poor ad quality.

Arnold, Maxwell. Testimony (T1859-1887).

Following presentation of his prepared statement, Mr. Arnold answered questions from the commissioners. Topics discussed include environment for the advertised product (T1876), possible requirements for information to appear in commercials (T1877-1877), information, rationalization, or use of emphasis (T1878-1879), psychic claims (T1880), standards of truthfulness (T1881-1882), and the limits of FTC jurisdiction (T1883-1885).

Assael, Henry and George S. Day. "Attitudes and Awareness as Predictors of Market Share." Journal of Advertising Research, Volume 8, Number 4, 3-10.

This paper accepts the presence of a predictive relationship between attitudes and behavior at the individual level, and is concerned with the nature and strength of the relationship at the aggregate level. The study first examines the relationship over time of the intervening variables of attitude and awareness to a measure of aggregate purchasing behavior - market share. Several time series models are applied to collected data on 13 brands (three types of products) using alternative predictors in an attempt to establish the most reliable predictive system. Secondly it examines the predictive power of the three intervening variables of attitudes, awareness, and previous brand usage in different product contexts. The paper demonstrates that the model and predictor variables must be a function of the individual brand and product category. According the authors, the findings consistently demonstrate that the affective dimension is significantly more effective in explaining variance in market share than cognitive or usage dimensions, and appears to support the proposition that changes in attitudes are more closely related to subsequent behavior change than are changes in awareness.

Association for Childhood Education International. "Children and TV: Television's Impact on the Child," Bulletin 21-A, Washington, D. C. (1967).

This bulletin is a collection of articles relating to children and television. A variety of viewpoints are expressed, including the negative aspects of content of programs and commercials and its impact on the child, the benefits of educational television to children and teachers, and parental attitudes about children and television. Also included is an article which explains how a teacher can teach children to analyze television advertising.

Bandura, Albert. Written Submission.

Cites experimental evidence which, when considered together, reveals that modeling influences can serve as teachers, as inhibitors, as disinhibitors, as emotion arousers, and as social prompts for action. States that in everyday life, any given modeling influence may produce its effects through several of these functions operating simultaneously.

States that responsiveness to modeling influences is largely determined by: the characteristics of the models; the attributes of the observers; and the response consequences associated with the modeled behavior. Relates these factors to advertising procedures currently being employed.

Bandura, Dr. Albert. Testimony (T1274-1298).

After delivering his prepared text Dr. Bandura commented on the following subjects during a discussion with the commissioners: models in advertising (T1283-1286), models of violence (T1286-1287), films to cure phobias (T1288-1293), power of modeling and purchase (T1294-1296) and fear (T1297-1298).

Banks, Seymour. Written Submission.

Compendium of current information on relationship of advertising to children. Stresses socialization of children still depends primarily on parental influence, peer group, and other traditional institutional influences. Outlines age-graded development and how response to stimuli depends basically on internal situation. Develops thesis that almost nothing is known about the processes by which children develop their skills of purchasing and consuming - and the result is a great vacuum in our knowledge. Summarizes volume of advertising to children, television viewing behavior of children, and status of research on child development. Illustrates use of research in developing children's products, and the use of consumer research in developing and evaluating advertising addressed to children. Reviews public attitudes toward TV advertising to children. Cites bases of justification for advertising to children.

Concludes that a long-range program of longitudinal research studies is needed to determine how children learn about the purpose of advertising, and what role parents, teachers and peers play in the process.

Banks, Seymour, Dr. Testimony (T667-709).

Dr. Banks submitted copies of an article dealing with the drug culture and explained the content of the article, especially the cause of individuals turning to drugs (T666-674). Dr. Banks submitted his written testimony and proceeded to summarize it.

A discussion followed which included the following topics: whether products are advertised to adults or children (T691-699), influence of TV on children (T699-700), differences in advertising standards for adults and children (T701) and different standards in deception for children and adults (T704-709).

Barach, Jeffrey A. "Advertising Effectiveness and Risk in the Consumer Decision Process." Journal of Marketing Research, Vol. VI (August 1969), 314-20.

The persuasion of advertising is examined in terms of the risks women face in their decisions as consumers. Experimental results relate self-confidence, risk style, and product importance to the effect of TV commercials on brand choices for regular and instant coffee, shampoo, margarine, and household wraps. The data confirm the curvilinear effect of generalized self-confidence on persuasibility. They also show that persuasion is strongly affected by a woman's risk style. The effects of these psychological variables are enhanced for more important products, while the overall level of persuasion decreases as importance increases.

Barach, Jeffrey. "Risk Style and Consumer Choice." The Southern Journal of Business, Volume 3, Number 3 (July 1968).

Over 800 women were exposed to advertising under conditions designed to come as close as possible to normal. Their response was measured in terms which tried to parallel actual brand choice in the market place. Findings indicate that risk style does affect the influence of television advertising. Those with positive risk styles were significantly more likely to switch brands in response to a commercial. There is also evidence to support the hypothesis that those who are less prone to change brands because of their more negative risk styles, tend to do some experimenting in order to gain more information. The data presented here suggest that the tendency of women to try new brands as a result of advertising is partly due to their internal evaluation of the importance to them of avoiding errors of omission vis-a-vis errors of commission.

Barcus, F. Earle. Saturday Children's Television. Prepared for Action for Children's Television (ACT), Boston, Massachusetts, July, 1971.

Reports the results of a study monitoring Saturday children's television programs on local Boston commercial TV stations. The study involved taping, and monitoring by playback of videotapes, material broadcast on four Boston stations on four consecutive Saturdays. This was done to gather data relevant to content of children's programs as well as the commercials in and around them. The four basic phases of the study were recording and screening, program analysis, character analysis, and analysis of commercials. The findings are reported in detail and are summarized under twenty-seven headings.

Barcus, F. Earle. Written Submission.

Summarizes the findings of his two studies, "Saturday Children's Television" and "Romper Room: An Analysis." (The former is a content analysis of programming and advertising matter on four Boston commercial TV stations. The latter is a more detailed look at commercial practices.)

Barcus, F. Earle. Testimony (T1365-1398).

Mr. Barcus presented his prepared statement, followed by discussion with the commissioners. Mr. Barcus states that there has been a decrease of appeals to children suggesting that they purchase the advertised product, but that he has no explanation of why this occurred (T1386), that children lack the critical ability of adults in making judgments about advertising (T1387), that toy commercials differ from the fantasy nature of some food commercials (T1388). Discusses restrictions that should exist for commercials aimed at children (T1391-T1394), and gives an example of how an ad can be made more informative (T1397).

Barnett, Norman L. "Developing Effective Advertising for New Products." Journal of Advertising Research, Vol. 8 No. 4.

This paper discusses a new methodology for determining from consumers the characteristics a new brand should have in order to perform in a specific strategic fashion. An approach is described for creating empirically the components of the brand, including advertising. The author describes how the product's components can be evaluated by consumers to determine whether, in fact, they elicit the desired perceptions and how this process recycles until components that communicate the specific, desired message are achieved.

Bauer, Raymond A. and Stephen A. Greyser. "Advertising in America: The Consumer View." A Digest Edition, 1968.

This article presents the highlights of a study of what the American public thinks about advertising, and summarizes the full length edition of the study published in 1968. Traditional methods of attitude research questioning were employed. Respondents were drawn from a national projectable sample of the adult U.S. population and numbered about 1,800. Findings of the study are organized into five basic areas - advertising as an institution, reasons for liking and disliking advertising, perception and screening of ads, liking and disliking advertisements, and attitude formation. In addition to presenting results of this study, the significance and implications of the findings are discussed.

Bauer, Raymond A. and Scott M. Cunningham. "Studies in the Negro Market." Marketing Science Institute, March, 1970.

This report presents the findings of a series of studies of one of the most widely discussed but least understood components of the American market - the "Negro Market." Over a period of several years, the authors explored distinctive aspects of Negro consumer behavior, responses to advertising, and the social implications of these marketing phenomena. The results of these studies do not add up to a systematic, complete description of all the dimensions of the Negro Market, but do shed considerable light on an important current problem, and give valuable clues for future research.

Bauer, Raymond A. and Scott M. Cunningham. "The Negro Market." Journal of Advertising Research, Vol. 10, No. 2 (April, 1970), 3-13.

This overview of the Negro market outlines basic data on the status of the Negro in American life in the 1960's, traces the development of interest in the Negro market, looks at the general pattern of Negro spending, and summarizes some of the circumstances that offset when, where, how, and what Negroes buy.

Bauer, Raymond. Written Submission.

Discusses the theme that defenders and critics of marketing practices use a common vocabulary that mask quite contrasting models of the marketing process.

Bauer, Raymond A. Testimony (T921-936, 968-994).

Professor Bauer introduced a panel discussion with a statement that covered the differences between the way critics and businessmen view business. He covered such topics as: vocabulary differences between businessmen and critics (T922-925), critics and businessmen views of primary functions of a product (T925-927), product differentiation (T927-928), "legitimate" consumer needs (T928), secondary production function (T932) and creation of new consumer needs (T933). In a panel discussion Prof. Bauer commented on the following: international consumer models (T968-970), truth in advertising (T971), keeping track of what's happening in advertising (T973) and advertising of performance and service (T989). Panel participants were Mr. John O'Toole, Colston Warne, Len Matthews and Prof. William Sheppard.

Beauregard, Kirk. Written Submission.

Presents the Campbell-Ewald Co. procedures used in casting for television commercials and print advertisements.

Beauregard, Kirk and Richard O'Connor. Testimony (T1160-1172).

After their formal presentation Mr. Beauregard and Mr. O'Connor commented on the following topics: advertising to ethnic markets (T1164-1165), actors in ads (T1166-1167) and women as authoritative spokesman (T1168-1169).

Bell, Howard. Written Submission.

Describes the role of advertising as a competitive tool of small businesses and retailers.

Summarizes the machinery and functions of the National Advertising Division of the CBBB and the National Advertising Review Board (NARB).

Bell, Howard. Testimony (T97-117).

In discussion, Mr. Bell expanded on the functions of the NAD and the NARB, and clarified some aspects of the self regulatory machinery (T110-112). At the time of the hearings, this machinery had only recently been established (T112). In response to a further question, Mr. Bell advocated formation of an advisory council to the FTC, composed of industry, consumers and academics (T114).

Blackwell, Roger D. and Brian Sternthal. "Physiological Measurement of Communication Variables: Empirical Results." Paper presented at the fall conference of the AMA, Boston, Massachusetts, 1970.

In attempting to link physiological instrumentation to the investigation of the communication process, a variation of McGuire's information processing model was employed in laboratory experiments. The first series of experiments used 60 marketing students to test whether the relationship between GSR and retention would be maintained for complex advertising stimuli. A second experiment of similar nature was done to test the sensitivity of the GSR measure. A third study also using sixty marketing students examined differences in respondents' GSR and pupil dilation response (PDR) scores and whether or not they were attributable to differences in retention. The studies appear to substantiate the fact that GSR and PDR are measure of different dimensions of attention - an arousal dimension and a load processing dimension. This is further substantiated by the low and most often non-significant correlations between PDR and GSR.

Blackwell, Roger D., James S. Hensel, and Brian Sternthal. "Pupil Dilation: What Does It Measure?" Journal of Advertising Research, Vol. 10, No. 4 (August 1970), 15-18.

The purpose of this article is to clarify existing knowledge about pupil dilation and its usefulness as a predictor of human behavior, and to establish the potential usefulness of the pupillometer in measuring advertising effectiveness. In a review of the literature, the authors describe the contradictions which exist in understanding the relationship between pupil dilation and affect-arousing characteristics of various stimuli. Also discussed is the correlation between pupillary diameter and constructs such as arousal, alertness, and attention. The authors' impression is that pupillary dilations probably accompany any substantial increase in mental activity, regardless of the pleasantness of this activity.

Blair, William S. "Point of View: Does Advertising Subvert Magazines." Journal of Marketing Research, Vol. 10, No. 4 (August, 1970), p. 46.

The author states that magazines are almost totally dependent on advertising for survival, and that the influence of the advertisers tends to promote pleasant and non-controversial subject matter in order to increase ratings. He questions the figures on which most media decisions are made, and feels that magazines perform so as to satisfy the criteria being measured and not the desired goals. He feels that the long range effect of advertising on magazines is to encourage those that invite casual readership of non-controversial subjects while discouraging others.

Blatt, Joan, Lyle Spencer, and Scott Ward. "A Cognitive Developmental Study of Children's Reactions to Television Advertising," unpublished, undated paper.

Using the "clinical examination" method developed by Jean Piaget, the authors interviewed representative groups of kindergarten, second, fourth and sixth grade children about their responses to television advertisements. These responses were analyzed on the basis of content, affect and cognitive style. Developmental trends in discrimination, understanding and judgment were found.

Bluestone, Stephen L. Written Submission.

Explores the relationship that exists between the toy, its commercial, and the child viewer. Notes the differences between toys and other product categories advertised on television. Lists "questionable characteristics" of toys advertised on television. Describes "technical and psychological tricks" used in toy ads.

Discusses the ineffectiveness of broadcast self-regulation to the business of selling toys over television.

Proposes rules for toy industry regulation.

Bluestone, Stephen L. Testimony (T1711-1735).

Following his prepared statement, Mr. Bluestone answered questions from the commissioners. Topics discussed were the Code Authority (T1727-1729), the procedure by which the Code Authority evaluates commercials (T1730-1735) and the possibility of banning all TV advertising to children under six years of age (T1734-1735).

Bogart, Leo. "Where Does Advertising Research Go From Here?" Journal of Advertising Research, Vol. 9, No. 1, pp. 3-12.

According to the author, a disproportionately large amount of the research on advertising represents the dull and repetitive measurement of media audiences, while a disproportionately small amount is concerned with actual content. The author suggests that the proper study of advertising research is the whole advertising system, not just advertisements.

Bogart, Leo, B. Stuart Tolley, and Frank Orenstein. "What One Little Ad Can Do." Journal of Advertising Research, Vol. 10, No. 4 (August, 1970).

This study attempts to see whether it is possible, under field conditions, to measure short-run direct sales responses to individual national advertisements of specific products and looks at the relationship between measures of sales response and measures of communication response. The study seeks to combine the best features of field and laboratory research. A series of identical ads were experimentally introduced into newspapers in six cities and a total of 2,438 home interviews were conducted with housewives on the day after delivery. A comparison was made between those women who received test ads in the newspapers delivered to their homes and those who could not have seen the test ad. The authors conclude that advertising works for national brands not merely by creating or reinforcing a brand's reputation among the general public, but also by motivating the small number of people who may already be potential customers and who are receptive to a reminder of what the advertiser wants to tell them.

Braren, Warren. Address before the First National Symposium on Children and Television, Boston, Massachusetts (October 17, 1970).

Warren Braren discusses the child serving as a marketing vehicle, and states that the TV Code helps the industry to create the illusion of responsible action where very little actually exists. He claims that very little monitoring of children's programming takes place, citing evidence that the Code Authority is inactive, passive, weak and irresponsible. He lists eleven possible courses of action for the improvement of the quality of American broadcasting.

Braren, Warren. Text of Remarks before the Children's Programming Workshop sponsored by the ABC Television Network, New York City, June 23, 1971.

Warren Braren, Executive Director of the National Citizens' Committee for Broadcasting discussed the child's position as a marketing vehicle. He claimed that the TV Code helps the industry create the illusion of responsible action where very little actually exists, and that very little monitoring of children's programming takes place. He described program changes being made by the major networks for the 1971-72 season, emphasizing that the majority of shows are still valueless cartoons.

Braren, Warren, and Inderjit Badhwar. "Comments of National Citizens Committee for Broadcasting" before the Federal Communications Commission, Docket No. 19142, July 2, 1971.

[In the Matter of: Notice and Inquiry and Proposed Rule Making concerning sponsorship, commercial content and establishment of hour quotas of children's television programs.]

In response to a Notice of Inquiry by the FCC, the National Citizens Committee for Broadcasting undertook and here summarizes two endeavors, one to provide new data on the availability of children's programming internationally, and the other to test popular reaction to the kinds of programs and advertising offered by American commercial television to children. The NCCB urges adopting new policies in the areas of availability of children's programming, age specificity, commercial content, and meeting community needs.

Braren, Warren. Written Submission.

Presents numerous examples of questionable advertising claims. Concludes that accurate and relevant information on the truth of many advertising claims is not readily available to the public. Further concludes that because consumers are not exposed to contrasting points of view through advertising, they are often deprived of the diversity of opinion necessary for informed choices in the marketplace.

Braren, Warren. Testimony (T79-96).

After delivering his prepared remarks (see written submission) Mr. Braren stated his opinion that omission of information is a criterion for deception and advocated making more information available for public scrutiny (T95).

Brazelton, T. Berry. Written Submission.

Outlines some of the "costs" to the developing child of television - costs such as having children become cynical about commercials at an early age.

Brazelton, Dr. T. Berry. Testimony (T1252-1273).

Upon the completion of his prepared text Dr. Brazelton commented on the following topics: the neonate (T1261-1262), children's global trust (T1263-1264), fantasies (T1264-1265), thoughts on designing advertising (T1266-1267), lack of communication in the family (T1268-1269), the age-group 6-10 (T1270), effects of TV on mental growth of children (T1270) and Sesame Street (T1272-1273).

Britt, Steuart Henderson. "Are So-called Successful Advertising Campaigns Really Successful?" Journal of Advertising Research, Vol. 9, No. 2 (June, 1969).

A Swedish advertising agency prepared and distributed a special booklet that contained descriptions of 135 "successful advertising campaigns" created by 40 American advertising agencies. This book is used for the analysis of "proofs of success" in this article, based on the answers to three questions regarding specific objectives, how these objectives were fulfilled, and how results were affected by agency size and product classification. Results of the analysis showed that almost none of the agencies really know, or even could know, whether or not their campaigns were successful.

Broadcasting. "Something"s Happening About Children's TV." Broadcasting, Vol. 80, No. 19 (May 10, 1971), 17-19.

Program changes for child viewing, including strict regulation of commercial time allowed, are detailed. Severe financial blows to major advertisers and networks would result if the FCC placed a ban on commercials (in 1970, 80 advertisers' used network children's programs). Changes in week-end children's programming, to begin Fall 1971, are examined to show concern for children's TV viewing, especially regarding TV violence. Research studies being undertaken by major networks regarding the effects of TV on children are described.

Bronfenbrenner, Dr. Urie. Text of Remarks before the Children's Programming Workshop sponsored by the ABC Television Network, New York City, June 23, 1971.

Dr. Bronfenbrenner, Professor of Child Psychology at Cornell University, addressed the Workshop, stating that television has not contributed to the delinquency of America's youth by teaching them cruelty and violence. He claimed that instead, television tends to prevent the interactions of a family which are important to a child's learning and character formation. He recommended that television be creatively employed to increase communication between children and others.

Brooker, Robert E. et al. Letter to Miles Kirkpatrick, October, 1971.

A letter from four members of the National Business Council for Consumer Affairs stating that they will participate in the FTC's hearings on modern advertising practices in the United States, and that they will rely upon the record developed in this set of hearings to help set priorities to accomplish the responsibilities of this newly formed organization.

Buchanan, Dodds I. "How Interest in the Product Affects Recall: Print Ads vs. Commercials." Journal of Advertising Research, Vol. 4, No. 1 (March, 1964), pp. 9-14.

This study was conducted from January to April, 1963 and involved interviews with 149 women in the New York metropolitan area. The main hypothesis being tested: as interest in the product being advertised decreases, the ability to recall advertising messages falls off more sharply for magazine advertisements than it does for television commercials. The findings of the study indicate that interest in the advertised product was a significantly more important factor in this experiment in predicting recall of magazine ads than it was for television commercials. Aggregate recall of magazine ads did rise as aggregate interest in the products advertised rose; aggregate recall of television commercials was not associated with interest in a significant way.

Bucklin, Louis P. "Testing Propensities to Shop." Journal of Marketing, Vol. 30 (January, 1966), pp. 22-27.

The study tests the hypothesis that the extent to which a consumer shops for a particular product is governed by factors which relate both to the value of the search and the cost of the effort involved. In order to test three basic generalizations derived from this hypothesis, the author undertook a survey during the fall of 1962 of 506 female heads of households. For the most part, the economic theory of consumer shopping behavior is supported by the data of this research. The implications were particularly strong with respect to the generalization that consumers would respond to lower shopping costs by making more interstore comparisons. The author's final conclusion is that concepts of rational consumer behavior have much validity and should be retained in the literature.

Bucklin, Louis P. "The Informative Role of Advertising." Journal of Advertising Research, Vol. 4 (September, 1969), pp. 11-15.

This article presents evidence as to whether or not consumers actually use advertising in its informative role. Data were collected in a survey of consumer shopping patterns among a group of 506 randomly selected female household heads. The data lead to the hypothesis that the consumer uses advertisi to the extent that she feels a need for information. The survey data build a strong case that shoppers use advertising intelligently and effectively for at least an important minority of products purchased. Advertising is used more in shopping for less familiar items, items not bought recently, or high-priced items.

Burns, Aaron. Written Submission.

Written submission consists of a two-paragraph "outline" of his presentation.

Burns, Aaron. Testimony (T1241-1250).

Mr. Burns, an expert on typography, addressed himself to the design possibilities from new typographic technology (T1242-1244). In the following discussion with the commissioners Mr. Burns commented on the following points: deception and typography (T1245), legal standards for printing (T1245-1246), definition of "clarity" of print (T1246-1247) and reaction of human eye to print (T1247-1250).

Business Week. "TV's Saturday Gold Mine." Business Week, (August 2, 1969), 96-98.

This article states that the hours between 8 a.m. and 1 p.m. on a typical Saturday are more important to a television network's profits than nighttime hours. Obtaining the largest share of the 2 to 11 year old viewers becomes very important; the top network can demand highest prices. The majority of the Saturday morning programs that top marketers back are cartoons which are expensive to produce, causing networks to seek entertaining alternatives to help decrease costs. The article emphasizes the highly competitive aspects of attracting the young viewer from the standpoint of both the network producers and the advertisers.

Business Week. "A Celebrity's Pitch Raises Some Doubts." Business Week, May 20, 1972.

A mail pitch, as well as newspaper and TV ads, for hospital coverage from the National Home Life Assurance Co. features TV personality Art Linkletter. Because of Linkletter's "extraordinary credibility with the public" his plugs are under scrutiny. Four specific criticisms of the advertising campaign are given, showing how what is stated differs from reality.

Buzzell, Robert D. Written Submission.

Points out that advertising is part of the total marketing process, and that any appraisal of advertising's impact should take account of its interrelationship with other marketing functions. (For the individual firm, advertising is part of a "marketing mix", in which its role may be dominant or may be relatively minor.)

Reviews some of the factors that affect advertising's role, including the nature of the product and its markets, the stage of the product life cycle, and company strategies.

Caffyn, John M. "Teplex Testing of TV Commercials." Journal of Advertising Research, Vol. 5, No. 2 (February, 1965), pp. 29-37.

Teplex testing, developed by the London Press Exchange, tests audio-visual stimuli recorded on videotape - usually roughs of proposed television commercials. Test material and questionnaires are presented to specially recruited audiences of about 50. This fast, low-cost service has been successfully used for pretesting roughs for commercials, campaign themes, and ideas for new products. It provides guidance on which actress to use, what kind of sound-track, which commercial is better for a certain job, which copy theme is more likely to make people buy, which new product ideas are worth developing. Methods, testing situation, reliability of results and specific examples are discussed.

Cagley, James W. and Richard N. Cardozo. "White Response to Integrated Advertising." Journal of Advertising Research, Vol. 10, No. 2, (April, 1970), pp. 35-39.

It was hypothesized that highly prejudiced whites would respond less favorably toward integrated ads, or ads with only Negro principals. In a study involving 34 white male college students, it was demonstrated, under controlled conditions, that the response of whites to advertisements which include Negro principals varies according to the degree of the whites' racial prejudice, and that this response is generalized to products and companies.

Canadian Advertising Advisory Board. "The Canadian Code of Advertising Standards," undated.

The Code was prepared by the Canadian Advertising Advisory Board to apply ethical standards to the preparation and execution of Canadian advertising, applying to all media. It defines standards of acceptability in twelve areas which bear on advertising ethics, but avoids the subjective area of taste and opinion.

Canadian Association of Broadcasters. "Broadcast Code for Advertising to Children." Ottowa, Canada, October, 1971.

The Code is a supplement to all Canadian federal and provincial laws and regulations governing advertising. Implicit in the Code is the principle that manufacturers may use children's programs to advertise appropriate products and services. The purpose of the regulations of the Broadcast

Code is to serve as a guide to advertisers in distinguishing between the special characteristics of a child and an adult audience.

Canadian Department of Consumer and Corporate Affairs. "Advertising Code for Children Gets Praise from Minister." News release from the Department, Ottawa, Canada, October 13, 1971.

In this news release Consumer and Corporate Affairs Minister Ron Basford expresses approval of the adoption of a code for children's advertising on radio and television by the Canadian Association of Broadcasters. He states, that though a voluntary code, it could be useful in supplementing advertising practices not covered by law.

Capitman, William G. "Morality in Advertising - A Public Imperative." MSU Business Topics, Vol. 19, No. 2 (Spring, 1971), pp. 21-26.

The author states that advertising uses the visual and verbal tools of art to convince someone to act in a specified way and in a specified area. Moral questions raised about advertising, he states, are not related to its existence but to its consequences. Advertisers are tempted to turn facts into symbols or to manipulate factual elements so they do not mean quite what they say, but factual elements cannot be embellished without becoming lies. The author discusses moral issues involved in using symbols in advertising, and the portrayal of reality versus fantasy using symbols. The author's opinion is that ad hoc regulations must be made to keep business within bounds because the human beings who run business institutions are creatively seeking new ways to get around these strictures.

Capitman, William G. Written Submission.

States that advertising pursues a course of complete irresponsibility and lack of social concern.

Capitman, William G. Testimony (T1787-1800).

After presenting his prepared text, Mr. Capitman commented on competition in our society (T1797), and problems in studying the effect of TV on children (T1799).

Carman, James M. "Brand Switching and Linear Learning Models." Journal of Advertising Research, Vol. 6, No. 2 (June, 1966), pp. 23-31.

Dr. Carman examines the linear learning model of brand switching behavior in the light of a consumer panel's purchasing habits for Crest toothpaste. The linear learning model assumes that, other things being equal, the probability that a consumer will purchase a particular brand is a function of what she has learned with past favorable experiences with that brand. Purchase records were used for 5,028 families who remained on a consumer panel from January, 1959, to June, 1962. The conditional probabilities generated do seem to indicate that the probability of purchasing Crest does vary according to past purchase experience in a manner consistent with the learning model.

Case, Eugene. Written Submission.

Consists of one page containing four questions about advertising.

Case, Eugene. Testimony (T1100-1126).

In his prepared remarks Mr. Case covered the following topics from a copy-writer's viewpoint: the copy-writer's job (T1100-1101), and three methods of persuasion (T1101-1104). Upon being questioned by the commissioners Mr. Case covered the following subjects: brand comparisons (T1105-1106), definition of truth (T1108), when advertising becomes persuasive (T1110-1111), regulating truth in advertising (T1110-1111), sense of belonging ads (T1112), puffery in commercials (T1113), humor (T1114-1116) and spoof (T1122-1124).

Cash, Norman E. Written Submission.

States that the purpose of the Television Bureau of Advertising (TVB) is to call upon advertisers to interest them in additional use of commercial television.

Discusses three broad areas of television:

- Some statistical dimensions of television - who views and when.
- Some psychological dimensions of television - why people view, the difference between advertiser's message output and viewers' message input.
- Some tasks still to be done to understand television and how it works.

Cash, Norman E. Testimony (T1046-1068).

After presenting a prepared text Mr. Cash commented on the following subjects: children's viewing time (T1065-1067) and parents' role in determining TV habits (T1067-1068).

Changing Times. "News Behind the Ads." Changing Times: The Kiplinger Magazine (May, 1971), p. 29.

Three news items concerning aspects of advertising are given. The first concerns the role of women in ads, and presents four conclusions from a study of 312 ads in eight magazines done by the Marketing Science Institute and presented in the

Journal of Marketing Research. The second article concerns action taken by the Federal Trade Commission against ads for enzyme laundry detergents. The third briefly describes the possibility of a sales tax on ads.

Choate, Robert. Before the Federal Communications Commission, Docket No. 19142, RM - 1569.

[In the Matter of: Notice of Inquiry and Notice of Proposed Rule Making regarding Children's Programming on Television]

The Council on Children, Media and Merchandising suggests a set of regulations designed to insure that television present children with a balanced view of their nutritional needs. The Council feels that television advertising has become the principal source of nutritional information for children and that the problem of advertising edibles on TV will not be remedied by self-regulation alone.

Choate, Robert B. "A Presentation to the National Association of Broadcasters Television Review Board." Washington, D. C., May 26, 1971.

Robert Choate, Chairman of the Council on Children, Media, and Merchandising, discusses a Code for Advertising Edibles to Children proposed by the Council to promote curbing excesses in advertising edibles to children. Copies were sent to 125 food companies, 25 advertising agencies and 85 broadcasters, and a large number of laymen, with requests for comments. Reactions are discussed in depth. Reasons why this Code is necessary are discussed in terms of nutritional changes that have taken place and the role of television in changing America's food habits. A copy of the proposed Code is included, and many reactions to it are quoted.

Choate, Robert B. Written Submission.

Reviews present-day practices in the advertising and selling of toys, pills and edible products through the media of comic books, back-of-the-box coupon arrangements and television. Numerous examples.

Choate, Robert B. Testimony (T1506-1540).

Robert Choate presented his prepared statement and then answered one question from Chairman Kirkpatrick, stating that children watch TV with some understanding from about the age of 2, but that at this age they are very accepting of persuasive advertising, which diminishes at about the age of 10 (T1539).

Children's Programming Workshop June 23-24, 1971: A Report.

The Children's Programming Workshop, sponsored by the ABC Television, is described and summarized in terms of objectives, issues raised, and comments offered in round-table discussions. The text of remarks of each of the guest speakers is included.

Christopher, Maurine. "How to Finance Better Shows for Kids is Pondered at ABC Session." Advertising Age (July 5, 1971).

The key issue raised at a children's programming workshop was whether the commercial TV system can support the quality and quantity of children's shows now being demanded by increasing aggressive groups. Various views presented at the workshop are summarized, including the desire of commercial-less children's programs, legitimate profits on children's TV, changes in programming, and the possibility of suspending ratings.

Chwast, Seymour. Written Submission.

Consists of one page describing Mr. Chwast's background plus a two-paragraph "outline" of his presentation.

Chwast, Seymour. Testimony (T1173-1179).

Mr. Chwast's formal presentation included the following topics concerning advertising graphics: accidental design (T1175), graphic approach (T1175), important dramatic moment (T1175), story boards (T1176), double layers of information (T1176) and art deco (T1177).

Claggett, William A. Written Submission.

Presents the process of new product development, the place of product life cycles, idea generation and research. Gives specific examples of successful new product introductions. Details reasons why some product introductions fail. Covers new product venture teams and basic categories for new product development procedure beginning with opportunity analysis and ending with test marketing. Emphasizes importance of consumer research data.

Claggett, William M. Testimony (T579-602).

For details of formal address see written submission. The subsequent discussion included the following topics: developing products to fulfill consumers' needs (T592), built-in obsolesence (T592-595) and freedom of consumers' choice (T596-598).

Clancy, Kevin J. and David M. Kweskin. "TV Commercial Recall Correlates." Journal of Advertising Research, Vol. 11, No. 2 (April, 1971), pp. 18-20.

Reviews studies done regarding the reliability of on-air testing to look at the hypothesis that part of the unreliability problem associated with on-air tests can be traced to uncontrolled factors, such as the program carrier and sample composition. The data base for the analysis consisted of 25 on-air tests of 30-second commercials, representing a broad range of product categories, and involved more than 6000 respondents. Five variables were considered: consumer attitudes towards the program carrying the commercial; whether they viewed the whole program; usage of the test brand; education; and age. Results demonstrate that at least one factor, program attitude, is significantly related to on-air recall scores, and that consumer attitudes have important consequences for penetration of advertising.

Cohen, Julian. Written Submission.

Consists of a copy of correspondence between Mr. Cohen and Mr. Arthur Best of the FTC. (Correspondence is primarily an informal outline of Mr. Cohen's and Mr. Aaron's presentation.)

Cohen, Julian and Daniel Aaron. Testimony (T1127-1159).

Mr. Cohen and Mr. Aaron's presentation to the commissioners included the following points: problems of radio advertising for advertisers (T1127-1129), what's right with radio advertising (T1129-1131), demographics (T1131-1136) and lack of a visual component (T1136-1139). During the discussion these points were touched upon: is radio stronger than TV? (T1142-1143), use of music (T1144-1145), scope of radio advertising (T1145-1147), legal clearance for radio advertising (T1147-1148), rock stations (T1148-1149), standards (T1150-1151) and importance of voice (T1156-1157).

Committee on Nationwide Television Audience Measurement (CONTAM). "Television Ratings Revisited . . .", undated.

This report is intended primarily for those who are familiar with the terminology and methodology of audience measurement. It examines the validity of conventional coincidental (telephone) rating surveys. And it compares carefully-done coincidental audience estimates with those obtained by a combination of meters and diaries. This continuing effort to improve the accuracy and usefulness of ratings is the work of CONTAM, the Committee on Nationwide Audience Measurement, comprising the three commercial networks and the National Association of Broadcasters.

Cohen, Dorothy. "The Federal Trade Commission and the Regulation of Advertising in the Consumer Interest," Journal of Marketing, Vol. 33 (January 1969), pp. 40-44.

Behavioral research has uncovered facets of consumer behavior that have significance in setting standards for protection from advertising abuse. Article suggests that the FTC note consumers' behavioral characteristics and amend its regulatory framework accordingly.

Compton, Walter Ames, M.D. Letter to Robert Choate, October 25, 1971.

Walter Compton, president of Miles Laboratories, responds to a letter from Robert Choate of the Council on Children, Media, and Merchandising, and describes the policy followed by Miles in marketing vitamins and other nutritional foods for children.

Condry, John. "Broadcasting and the Needs of Children," unpublished, undated paper, Cornell University.

This article describes the needs of children in the context of present society and then compares those needs to the actual and potential contribution of television. The child's intellectual development and the ecology of childhood are examined briefly. Television is alleged to waste children's time, and perhaps harmfully distort reality, cheating the natural mechanisms of comprehension and judgment. Dr. Condry suggests presenting an honest and entertaining view of life at different levels of conceptual ability.

Condry, John. Written Submission.

Offers a perspective from which one can obtain a rational analysis of the effect of television upon the lives of children. (Suggests that in order to understand the effects of TV, one must understand the "ecology of childhood" and not just the psychology of children.)

Pinpoints some of the areas of life where television advertisements might exert a harmful influence upon the ecology of childhood.

Recommends a moratorium on television advertisements directed toward children, combined with a research effort to discover the total impact of advertisements.

Condry, Dr. John. Testimony (T1299-1329).

During the discussion that followed his prepared speech Dr. Condry commented on the following: child's ability to distinguish between ads for adults and ads for children (T1318-1320), parental responsibility concerning commercials (T1320-1321), moratorium on children's ads (T1322-1325 and T1327-1328), adults dealing with manipulation (T1325-1327) and program content (T1329).

Conklin, George M. Letter to Robert B. Choate, October 17, 1971.

George Conklin, President of M & M/Mars, answers a letter from Robert Choate of the Council on Children, Media, and Merchandising. He states that various trade associations of which his company is a member will appear at a set of hearings on advertising practices.

Cook, C. W. Written Submission.

Assures Commission that business will not defend that which needs to be corrected nor do battle on behalf of the status quo. Recognizes that constant change is the law of life in a free economy. Agrees that some regulation is needed, but expresses concern about excessive restrictions. Endorses the concept of self-regulation as a supplement to governmental regulation and offers collaboration in the public interest.

Cook, C. W. Testimony (T28-46).

See written submission. Mr. Cook introduced the joint ANA-AAAA presentation and commended the FTC for conducting the hearings. Expressed desire to see FTC and **Business** working together (T31). Pointed out importance of advertising in telling the consumer about new products (T38). Suggested use of guidelines (T42-44). In discussion with the commissioners, Mr. Cook endorsed the viewpoint that consumers, the public and academics, as well as business and government, would be beneficially involved in the hearings (T46).

Corey, Lawrence G. "How to Isolate Product Attributes." Journal of Advertising Research, Vol. 10, No. 4 (August, 1970), 41-44.

The hypothesis of this study was that on item analysis of attitudes toward a product would isolate those attributes which were "perceptually determinant," (i.e. attributes upon which the consumer's total perception of a product depends). The study was conducted in two phases, with a random sample of 100 females equally divided between the two phases responding to interviews. Respondents rated the direction and intensity of their attitudes toward instant non-fat dry milk on ten of its attributes. Tentative conclusions: Response to a product seems to depend upon the consumer's evaluation of its perceptually determinant attributes; the perceptual determinance of product attributes can be identified by item analysis, the results of which are useful for developing effective advertising propositions.

Courtney, Alice and Sarah Wernick Lockerets. "A Woman's Place: An Analysis of the Roles Portrayed by Women in Magazine Advertisements." Journal of Marketing Research, Vol. VIII (February, 1971), pp. 92-95.

This article reports on an exploratory study that examined print advertisements to see if limited and negative stereotypes of women in advertising could be identified. Particular attention concentrated on comparing the occupational and nonworking roles of men and women as portrayed in advertisements. From seven magazines addressed to both male and female readers, 312 ads showing one or more adults were analyzed. The overall conclusion was that, while not deprecatory to women, the picture as a whole does fail to show the true range of women's roles in our society.

Cousins, Norman. Written Submission.

Contends that advertising represents a vital part of process by which ideas are put to work, and the ability to move ideas is no less significant in its function than its ability to move goods.

Conclusion is that public opinion can be shaped by skilled advertising but not manipulated. Implications for policy makers are that advertising must be seen in a larger context than just the commercial marketplace, advertising should be regarded as an integral part of the consensus mechanism of an open society, and government must not underestimate the ability of average citizens to resist manipulation or exploitation.

Cousins, Norman. Testimony (T233).

Due to travel difficulties, Mr. Cousins could not appear in person. His written submission was entered into the testimony.

Craig, Barbara. "The Regulation of Advertising Directed at Children." Cornell University (May 1, 1971), unpublished paper.

The article reviews some of the literature which suggests the need for changes in television advertising shown on children's programs, and a few suggestions are made as to possible areas where stricter regulations seem reasonable.

Crane, Lauren E. "How Product, Appeal, and Program Affect Attitudes Toward Commercials." Journal of Advertising Research, Vol. 4, No. 1 (March, 1964), pp. 15-18.

148 men and 158 women participated in a laboratory experiment designed to investigate the effects of product, appeal, and program content on attitude towards commercials. They were shown ten different commercials, two for each of five products, in three different program settings. Then, subjects rated each of the 30 combinations on a seven-point like-dislike scale. The results suggest that women are more sensitive to program context in making judgments than are men, to whom the product seems important.

Crichton, John. Written Submission.

Explains the organizational auspices of the industry presentation by describing the Association of National Advertisers and the American Association of Advertising Agencies. Points out that acknowledged experts within the field of advertising were used wherever possible, to provide evidence and experience rather than theory.

Crichton, John. Testimony (T118-146).

As in his written submission, Mr. Crichton outlined the purpose and organization of the joint ANA-AAAA industry presentation and introduced witness Donald Kendall of PepsiCo. (T122-123).

Culhane, John. "The Men Behind Dastardly and Muttley." New York Times Magazine (November 23, 1969).

Discussing programming for children, the article says that on a Saturday morning on three major networks, 13-1/2 of 18 hours is occupied by animated shows. One third of these is done by Hanna-Barbera Productions, who have been hit makers while managing to keep production costs down. In an in-depth look at Hanna-Barbera, the article gives a verbal tour of the Hanna-Barbera studios in California, introduces key figures there, and, after a brief history, details the processes by which a cartoon is created.

Cummings, Barton. Written Submission.

Sums up and thanks the Commission for their patience. Expresses concern regarding drug culture. Inserts five papers for the record indicating lack of hard facts re correlation between advertising and drug abuse. Pledges industry support to NARB.

Cummings, Barton. Testimony (T777-780).

See written submission.

Daly, John Jay. Written Submission

Refer to Robert F. Delay's written submission.

David, Donald. "Image Building is an Unexplored Advertising Horizon." Advertising Age Magazine (January 3, 1958), pp. 11-16.

The author, a copy supervisor at Campbell-Ewald Co., believes that it is up to advertising's creative people to put the findings of motivation research into actual use. Since the public tends to invest an advertiser with a personality whether or not the advertiser intends to project one, it seems logical, according to the author, to conclude that deliberate clues from the advertiser would be more practical than the hit-or-miss way. The many aspects of an advertising image are discussed; whether or not a definite image should be created, the factors that determine the choice of an image, the variety of personality characteristics available to an image, and the tools and techniques used to create the final ad.

David, Miles. Written Submission.

Positions radio in relation to the American society.

Day, George S. "Attitude Change and the Relative Influence of Media and Word of Mouth Sources." (Stanford University - a preliminary version of this paper was presented at the May, 1969 meetings of the American Association of Public Opinion Researchers.)

This paper examines the extent of word of mouth versus media exposure to specific new and established brands of a regularly purchased convenience food product. Relative influence of these two sources are evaluated by measuring differences in rates of attitude change and formation between exposure conditions. The research design was based on two matched mail diary panels that were used to monitor the introduction of a new branded food product into a state-wide test market area. Both panels started with 1100 households. One panel was a control; 955 households of the second panel completed a questionnaire and were interviewed three times by phone. Advertising was found to play an essential role in the acceptance of a new and an established brand of a convenience food product. The role of advertising was to provide the preconditions for success, which for the new brand was primarily to build awareness and for the established brand was to maintain existing favorable attitudes. In both cases, ultimate success, in terms of creating and reinforcing favorable attitudes, largely rested with the ability of the brand to generate favorable word of mouth communications and to provide a satisfactory usage experience.

Day, George S. "Using Attitude Change Measures to Evaluate New Product Introductions." Journal of Marketing Research, Vol. VII (November, 1970), 474-82.

This article applies recent developments in the statistical analysis of multi-wave attitude panels to the problem of evaluating a new product's marketing program. One advantage of this approach is the opportunity to distinguish the effects of market-controlled variables from word-of-mouth communication and usage experience. A comparative study of two new brands in the same market shows that effective introductory performance requires media advertising to gain awareness and product sampling to trigger word-of-mouth activity that leads to the formation of favorable attitudes.

Day, James. Text of Remarks before the Children's Programming Workshop sponsored by the ABC Television Network (June 24, 1971), New York City.

James Day, President of the Educational Broadcasting Corporation, expressed his belief that it is inconsistent with the fundamental objectives of good children's programming to permit advertising. He preferred grouping commercials at the beginning and end of children's programming into an advertising "magazine" to be judged on its own merits, divorced from any relationships with children's programs.

Deering, Barbara J. and Jacob Jacoby. "The Effects of 'Alternative Relationships' and 'Relative Resources' on Consumer Decisions Between Mother and Child." (Paper presented at the Association for Consumer Research's Second Annual Convention, University of Maryland, September 1-3, 1971).

Twenty-four mother-child pairs participated in an experiment to examine adult and child influence on decision making in consumer problems. Each mother and child responded independently to a 15-item questionnaire about buying decisions; then each pair responded jointly to the same questions in an experimental situation. The authors state that the most noteworthy aspect of the study is that it provides the first example of how experimentation can be utilized to investigate these factors.

Delay, Robert F. Written Submission.

Discusses the following topics: Who and What is the Direct Mail Advertising Association (DMAA)? The nature of the direct mail medium itself. Consumer reactions toward direct mail. Why mailing lists are vital to the medium. What DMAA is doing to try to help the consumer.

Delay, Robert F. Testimony (T995-1026).

See written submission.

Demsetz, Harold. Written Submission.

Discusses economic aspects of advertising. Reviews empirical work which does not support the view that oligopolists rely on advertising to keep out competitors and that expenditures incurred to do so are passed on to customers in the form of higher prices. Research on comparing prices for the same type of products suggests that real prices may be increased by arbitrary limitations on the use of resources for advertising. Concludes that much criticism of advertising is founded on two unjustifiable notions - that commodities possess intrinsic values and that persuasion through advertising is undesirable.

Demsetz, Harold. Testimony (T234-255).

See written submission. In discussion with a commissioner, Prof. Demsetz said that he did not believe that heavy advertising expenditure in an oligopoly would serve per se as a barrier to entry (T248-250). He also stated his belief that there was "no misrepresentation problem" (T253).

Dichter, Ernest. Written Submission.

Discusses ten principles of good advertising communication (and communication in general) developed from motivational research. Suggests that one way to test the effectiveness of advertising is to find out whether or not these principles have been adhered to.

Dichter, Ernest. Testimony (T1800-1820).

See written submission.

Dillon, Thomas C. Written Submission.

Traces the consumer decision-making process of to buy or not to buy. Discusses the problems of registering even one clear-cut sales point in a TV commercial and the need to concentrate against prime prospects. Deals with the morality of persuasion and shows how brand decisions are influenced by advertising to the extent that it promises to solve the consumer's problem. Describes the basic steps in the creative process: (1) identify prime prospect; (2) determine prime prospect's problem in product category; (3) examine product in the light of what has been learned about the prospect and his problem; (4) develop copy concept; (5) execute copy strategy.

Dillon, Thomas C. Testimony (T311-352).

After Mr. Dillon delivered his prepared speech, there followed a lengthy discussion including such topics as knowledge of the consumer (T334-336), whether using attractive people in ads is deceptive (T337-339), "mood" (T339-340), how advertising responds to the different facets of the purchasing decision (T342-346), time, length and price of commercials (T346-348) subliminal advertising (T349) and legislation and taste (T357-352).

Dingell, John D. Written Submission.

Urges the FTC to give special attention to the television industry during the course of its inquiry into modern advertising practices.

Notes that the Small Business Committee has found that industry self-regulation in the past had failed to prevent misleading and deceptive advertising.

Expressed particular concern about the trend to "idea" advertisements in contrast to the usual product message.

Raised several questions which he hoped the Commission would bear in mind during its inquiry.

Dingell, John D. Testimony (T5-18).

See written submission. The Congressman also stressed the importance of fact-finding activity by the FTC, and expressed concern about "issue" advertising (T13-14). Hoped that Commission would come forward with legislative recommendations as a result of the hearings. In discussion, stated that he was conerned about the lack of public participation in the NARB.

Direct Mail Advertising Association, Inc., promotional material.

A promotional packet containing pamphlets on various topics related to mail advertising. Included is a description of the variety of membership services available as well as a list of 49 ways that direct advertising can be used in businesses. Also included is summary of the public's attitude toward direct mail, stating that 33% enjoy receiving all direct mail, and that 85% have no general dislike.

Includes the following:

"Purchasing Habits of Parents with Young Children" - a survey report by Market Compilation and Research Bureau
"What College Students Want to Buy" - a survey Market Compilation & Research Bureau
"How to Work with a List Broker"
"How to Win Your Election with Direct Mail"
"What People Think About Direct Mail"
"Testimony of the Direct Mail Advertising Association, Inc. before the Federal Trade Commission Regarding Public Hearings on Modern Advertising Practices - Monday, November 1, 1971."
"Guides for Sweepstakes Promotions"
"49 Ways Direct Advertising Can Be Put to Work in Your Business"
"Standardized for Computerized Mailing Lists"
"The Attitude of Today's College Student Toward Direct Mail" - an On-Campus Survey by Market Compilation & Research Bureau.

Duffy, James E. Text of Remarks before the Children's Programming Workshop sponsored by the ABC Television Network (June 23, 1971), New York City.

James Duffy, President of the ABC Television Network, introduced the topics to be discussed during the afternoon session of the Workshop. He raised major questions to be considered in four "umbrella" areas: Program Content, Production and Scheduling; Commercial Content, Production and Scheduling; Audience Measurement; and Regulatory Agencies.

Dunham, Corydon, Stanley Kaufman, and Howard Monderer. "Comments of the National Broadcasting Company, Inc." before the Federal Communications Commission (July 2, 1971), Docket No. 19142, RM-1569.

[In the Matter of Petition of Action for Children's Television for rule making looking toward the elimination of sponsorship and commercial content in children's programming and the establishment of a weekly fourteen hour quota of children's television programming]

Responding to a petition by ACT, NBC states that the proposals to prohibit sponsorship and commercial mentions during children's programming would eliminate the economic base necessary to support quality children's programs and would adversely affect the quantity as well as the quality of available programs. The unique problems of creating, scheduling and broadcasting children's programs are described, as are NBC's specific efforts in these areas. According to NBC, children would still be exposed to commercials during other programming and through other media. NBC also feels that requiring at least 14 hours of children's programming is unnecessary, inappropriate and beyond the Commission's authority, and raises the question of defining children's programs. Also included for exhibit are individual composite week submissions for the NBC Television Network.

Dunn, John. Written Submission.

Refer to Aaron Locker's written submission.

Edel, Herman. Written Submission.

Refer to Gordon Webber's written submission.

Edel, Herman. Testimony (T358-350).

As part of the joint presentation of Gordon Webber, Mr. Edel spoke on the use of music in advertising.

Engel, James F. "Are Automobile Purchasers Dissonant Consumers?" Journal of Marketing (April, 1963), pp. 55-58.

The author examines the question of "dissonant consumers" - consumers beset with doubt after a purchase that they have made the correct choice. He uses the findings of his study of new automobile owners in which post-decision readership was analyzed through interviewing two groups of consumers; one group of new car purchasers and a control group of not-new owners. The results of the study show little indication of anxiety following a purchase decision by new car owners with the significant exception of price, offering little evidence that the new car purchaser is a dissonant consumer.

Engel, James F. Testimony (T858-918).

In his prepared speech Prof. Engel referred to the following points: variables affecting consumer decisions, consumer decision-making process (T865-871), consumer information sources and word-of-mouth (T871-876), advertising as an information source (T876), personal selling (T877-879), advertising and problem solving (T879-882), selective comprehension (T882), reinforcing attitude (T883), attitude shifts (T884), consumers' welfare (T886-890) and objective of the FTC (T892-893). During a discussion with the commissioners Prof. Engel addressed himself to the following points: word-of-mouth (T893), retention (T894), screening (T895), testing of comprehension (T896-899), gasoline brand loyalty (T900), habit in determining consumers' choice (T903-904), word-of-mouth (T904-906), research on targets (T908-909), effectiveness of advertising themes (T909-911), costs versus rewards of advertising (T912-913), definition of attitudes (T913A) and accumulative effect of advertising (T916).

Ennis, F. Beaven. Written Submission.

Discusses the interface between advertisers and agencies, describing how technical information and product facts are exchanged and how safeguards are taken to assure accuracy of facts. Outlines four key stages in the advertising and product development process: conceptualization, protocept, prototype, pre-market.

Ennis, F. Beaven. Testimony (T272).

Mr. Ennis' written submission was entered into the testimony.

Farmer, Richard N. "Would You Want Your Daughter to Marry a Marketing Man?" Journal of Marketing, Vol. 31 (January, 1967), pp. 1-3.

The author feels that many aspects of the field of marketing are both irrelevant and unethical. He claims that marketing men who conduct serious studies of how to persuade more people to buy more products and services are in ethical difficulties and that this is why marketing departments often attract inept students. He also claims irrelevancy based on the fact that the United States operates consistently below potential output-capacity most of the time which implies that there is always more than the consumers can afford, in turn creating "cut-throat" competition. According to the author, the tragic part of this preoccupation with the less important parts of marketing is that relatively few of the long-run distribution problems ever get the attention they deserve.

Fearon, Robert. Written Submission.

Refer to Gordon Webber's written submission.

Fearon, Robert. Testimony (T368-374).

As part of the joint presentation of Gordon Webber, Mr. Fearon spoke on special production techniques and practices that stem from the peculiar nature and limitations of print, and of the film and electronic media.

Ferber, Robert and Nicosia, Francesco. "Newly Married Couples and Their Asset Accumulation Decisions." Faculty Working Paper, College of Commerce and Business Administration, University of Illinois at Urbana-Champaign, August 9, 1971.

Following a brief discussion of the reasons for the construction of the Illinois-Berkeley panel of newly married couples, a conceptual and general framework for the study of asset accumulation decisions is presented. Secondly, results of an empirical test of some parts of the framework using data of the Illinois-Berkeley panel are given and a number of hypotheses are developed for future study of consumer asset decisions. The study suggests (1) it would be more meaningful to treat ownership of all types of assets as interdependent, so that ownership of any one asset is a function of ownership of other assets: (2) evidence that when it comes to asset decisions husbands and wives may not agree with each other, and (3) attitude and personality variables are also found to influence asset behavior and need to be included along with the usual economic variables in models of this type.

Festinger, Leon and Nathan Maccoby. "On Resistance to Persuasive Communications." Journal of Abnormal and Social Psychology, Vol. 68, No. 4, 359-366.

3 separate experiments were done at different universities to test the hypothesis that a persuasive communication that argues strongly against an opinion to which the audience is committed will be more effective if the audience is somewhat distracted from the communication so that they cannot adequately counterargue while listening. Two films were prepared, each containing the same communication arguing strongly against fraternities. One was a normal film of the speaker making a speech. The other film, with the same track, had an utterly irrelevant and highly distracting visual presentation. Fraternity men were more influenced by the distracting presentation of the persuasive communication than by the ordinary version. There was no difference between the two for nonfraternity men. In general, the hypothesis concerning the effect of distraction was supported.

Fleiss, David, and Lillian Ambrosino. An International Comparison of Children's Television Programming. Washington, D.C., National Citizens Committee for Broadcasting, 1971.

The underlying issue considered in this study is the degree to which other countries, and the United States, recognize that television has certain positive obligations toward its child audience. Children's television is studied in depth for Western States. The method used is not clear but appears to be survey and interviews. Among conclusions reached are that the United States has at least twice as much advertising during children's viewing hours, and has programming inferior in quality to other nations surveyed.

Forbes. "Look Who's Playing with Toys!" Forbes (December 15, 1971), pp. 22-29.

Some of the nation's largest food companies have gone into the business of manufacturing toys. This article examines various aspects of the toy industry - reasons for diversification into toys, problems encountered in production and sales, and the mixed results in profits. Toys are described as a "style business," which constantly demand new ideas and a variety of technologies. Decreases in sales, their causes, and future outlooks are discussed, as are consumer movements for better and safer toys and its effects on sales.

Foundation to Improve Television. Comments of the Foundation to Improve Television before the Federal Communications Commission, Docket No. 19142 RM-1569, June 25, 1971.

The FIT expresses its concern with the content of children's programs, stating that the barrage of children with fictionalized violence and horror is more than potentially harmful. They feel that the Commission's prime concern should be with the number of children who actually view a given program rather than the audience it is allegedly designed to interest, and suggest the establishment of guidelines to substantially curtail excessive fictionalized television violence and horror prior to 9:00 p.m.

Frank, Josette. Children and TV. Public Affairs Pamphlet, No. 323, Public Affairs Committee, Inc., 1962.

This pamphlet is written primarily for parents of children, to give rather general answers to some of the more frequently asked questions regarding children and television viewing. It briefly answers questions regarding the effect of television on the physical and emotional health of children, as well as an intellectual development, and discusses why children watch television. It offers suggestions to parents who wish to have more control over the television that their children watch, including budgeting time, setting standards for program selection, and providing alternatives to television. The responsibility of the industry is briefly discussed in an effort to show that the effects of television on children are everyone's business.

Frey, Lou. Written Submission.

Comments on the scope of the hearings:

. States that the Commission's search for facts as an antecedent to policy-making may not be unique, but it is certainly unusual.

. Commends the Commission for its interdisciplinary approach.

. Expresses pleasure toward the fact that the Commission will be devoting several days to considering advertising addressed to children.

Frey, Lou Jr. Testimony (T19-27).

See written submission. The Congressman also expressed concern over the drug problem and its possible relationship to advertising (T24-25).

Galdston, Richard. Written Submission.

States that television viewing has no demonstrable harmful effects upon the child whose mental health and emotional development have placed him within the range of the normal. States further that television viewing has very little positive, helpful effect in promoting growth and development.

Describes the features of the mental development of the child and adolescent.

Considers the features of television with particular attention to the way in which it used by children.

States that he does not believe that the child makes any distinction between the content of the program and the advertisement of the sponsor.

Indicates that television could best serve the needs of children by offering them an opportunity to learn about the real world of persons and things.

Galdston, Dr. Richard. Testimony (T1330-1363).

After delivering his prepared text Dr. Galdston commented on the following: substitutes for TV (T1344-1345), advertising for adults compared to advertising for children (T1345), differentiating programs and ads (T1346-1347), elimination of advertising (T1347-1348) interests of children (T1354-1355), drugs and TV (T1356-1357), cause of rising drug problem (T1357-1358 and T1360-1361) and long-run consequences of TV on population's mental health (T1362-1363).

Gallagher, Bernard P. "The Gallagher Report," Volume XIX, No. 40 (October 5, 1971).

A newsletter addressed to marketing, advertising, and sales executives, containing numerous condensed articles on various marketing topics. Included is a brief article describing the pending FTC hearings on methods and effects of advertising. The second section of this newsletter, entitled "Insincerity in Advertising" describes ten widely used forms of advertising double-talk, giving examples of products and the ads for them in each category.

Friedman, Lawrence. "Measuring the Effectiveness of Consumer Advertising: A Case History." Working paper, Marketing Science Institute, December 1970.

Using a case history, discusses in detail the use of experimental method to determine the effectiveness of different levels of advertising expenditure.

Gardner, David M. "The Package, Legislation, and the Shopper." Business Horizons (October, 1968), pp. 53-58.

This article attempts to give some structure to this rather undefined area of shopper-package relationships by advocating a realistic view of the shopper in the marketplace, by offering a partial checklist against which to evaluate present and future regulations, and a definition of deception in packaging. The author states that, given the absence of salespeople, the packaging itself has now become a crucial marketing element, and that the package by its shape, color, size, label, and price, communicates information to be evaluated by the shopper. He also states that subjective information is communicated to the shopper, and that this should not be eliminated from packaging until its value to the shopper is documented and understood.

Gardner, David M. "Is There a Generalized Price/Quality Relationship?" Paper presented at Association for Consumer Research, Amherst, Massachusetts (August 28-30, 1970).

Three studies were conducted to explore the validity of a generalized price/quality relationship. The first was a laboratory experiment with quality estimates as the dependent variable, the second a partial replication of an early price/quality study often used as a standard, and the third a comparative ranking of purchase situation cues. Sample consisted of 50-100 junior and senior male college students. The author concludes that price, except for unique but unspecified circumstances, does not influence the perception of product quality, but indicates that this conclusion depends on the dependent variable used and the definition of product quality employed.

Gardner, David M. "An Experimental Investigation of the Price/Quality Relationship." Journal of Retailing, Vol. 46, No. 3 (Fall 1970).

This study examines the effect of price on estimates of product quality, and seeks to determine whether price conveys more information than merely the value to be exchanged. Eighty-eight subjects participated in the laboratory experiment testing three hypotheses regarding price/quality relationship. Using three products, differing in frequency of purchase and search time, this study found that direct estimates of quality were affected by price for two products. Price did not affect willingness to buy but did have a limited effect on where products are most likely sold. The study suggests that the price/quality relationship should not be generalized to all products in all situations.

Gardner, David M. "The Distraction Hypothesis in Marketing." Journal of Advertising Research, Vol. 10, No. 6 (December, 1970), 25-30.

A laboratory experiment was performed to explore the distraction hypothesis in a marketing context. The randomized design study, involving the independent variables of distraction and commitment to a product, tested three hypotheses. The results suggest that the distraction hypothesis must be rejected as having any powerful influence on responses to persuasive marketing communication. Distraction as an attempt to interfere with the process of counterargument had very little impact on the elicited responses in this marketing-oriented situation.

Garry, Ralph. "The Social Influence of Television." A paper prepared for the Sloan Foundation Commission on Cable Television, unpublished, undated.

The author illustrates the social interplay of individuals and organizations in relation to television as an element in a complex social process, interacting with other media in such a way that making unqualified statements about television are difficult. Reviewing some of the literature, the author describes the role of television in the home, as an educator and entertainer, and as a community servant. He points out the lack of complete information regarding the effects of television on its viewers, and discusses numerous possibilities for further research. The implications of available facts for cable television are discussed.

General Mills, Inc. "Corporate Policy Statement," undated.

This is a brief description of General Mills' advertising policy stating that General Mills supports industry-established codes and self regulatory systems where they exist, and endorses the Advertising Code of American Business, a copy of which is attached.

Gent, George. "TV Networks Move to Upgrade Much Criticized Children's Fare." New York Times (May 31, 1971).

The article discusses new changes being made by the major networks in children's programming, currently under criticism by civic and parental groups. Specific changes, such as new programs, are examined as evidence that networks are attempting to upgrade the informational and educational elements of the children's shows while increasing their entertainment value.

Glatzer, Robert. Quotes from The New Advertising, New York: The Citadel Press, 1970.

Numerous quotes from Glatzer about advertising, many dealing with specific advertisements and the images they create for the product.

Gleeson, Willard L. "Advertising Serves America," 1971.

Praising advertising, Mr. Gleeson notes that advertising in relation to the consumer embraces many services and is largely responsible for consistent improvements in products and services available. He states that advertising contributes toward greater utility of goods and services, while serving as a potent force in lowering prices. Other benefits of advertising, according to Gleeson, include finding new uses for old articles, contributing to human health and safety, and eliminating household drudgery, while increasing employment and wage standards for the American worker. Mr. Gleeson gives several brief examples to support his defense of advertising as a significant contributor to the American life style.

Goldsen, Rose K. "NBC's Progress Report on Television's Influence on Violence in Children: No Progress." June 1971, unpublished paper (Docket 19142).

Analyzes the research plan and design of a five-year panel study sponsored by the National Broadcasting Company, reporting preliminary results of a study that claims to investigate the effects of violence in television programs on anti-social and violent behavior in children. The author feels that this claim is unwarranted and that the study merely provides a delaying tactic to maintain television fare unchanged. The author analyzes the research to show why she feels it is inadequate and a delaying tactic, and suggests some alternative research designs.

Goldsen, Rose K. "Why Do They Call it 'Media Research'?" Docket 19142 (submitted to the Public Opinion Quarterly for publication June, 1971).

This article examines the logic of design underlying the major research on the effects of violent media content upon aggressive behavior in those exposed to that content. Begins by discussing overall research, planning and strategy, and examines the literature to see which investigations have taken into account the special nature of television as a medium. The author examines experimental studies, field experiments, panel studies, and content analyses of television programming, and concludes by suggesting a developmental experiment to evaluate long-term effects of TV viewing.

Gould, George. Written Submission.

Refer to Gordon Webber's written submission.

Gould, George. Testimony (T374-378).

As part of the joint presentation of Gordon Webber, Mr. Gould spoke on color correction for television, illustrating the color vs. monochrome problem that exists in today's television broadcasting.

Graham, Archie. "Controlling the Commercials: a View from the Middle," Advertising Quarterly, Fall 1971, pp. 28-32.

Discusses who should control advertising from perspective of the man 'in the middle'. Describes the results of advertising reformation in the last decade and the achievement of ethical standards of British advertising that are commonly held to be the highest in the English speaking world.

Gray, Elisha II. Written Submission.

Gives examples of how a large company has used advertising in its long-term growth plans. Describes critical moves from design stage through various testing steps to pilot run and finally, the need to create a brand image and sell the necessary volume requiring mass advertising in order to justify the resource commitment in bringing the product to market. Offers industry statistics on how prices have been held down. Sums up by citing the role of the NARB in self regulation.

Concludes that if regulatory efforts, both voluntary and compulsory, produce an over-kill, advertising will become ineffective and, therefore, uneconomical -- resulting in a downward spiral which would diminish forward progress.

Gray, Elisha II. Testimony (T-763-776).

See written submission.

Green, Frederick C. Written Submission.

Reviews what is already known about advertisements appearing in programs made just for children. Comments on the problem of direct appeal to children and the problem of burden of proof.

Summarizes the findings of a study entitled "International Comparison of Children's Television Programming."

Concludes that advertising on children's television programs needs urgent re-examination.

Green, Frederick. Testimony (T1701-1710).

See written submission.

Greene, Jerome D. and J. Stevens Stock. "Brand Attitudes as Measures of Advertising Effects." Journal of Advertising Research, Vol. 6, No. 2 (June, 1966), pp. 14-22.

Since the goal of advertising is to change attitude and, ultimately, behavior toward a branded product or service, then the best means of evaluation is to discover the change it makes in consumer attitude or behavior. The authors detail a research design which uses two matched sample panels as a means of measuring advertising effects by comparing brand attitudes of the "exposed" and "unexposed" panels.

Greyser, Stephen A. "Businessmen Re Advertising: 'Yes, but . . .'" Harvard Business Review, Vol. 40, No. 3 (May/June, 1962).

Examines how today's executives think about advertising in a wide variety of topical areas including its social and economic influence, its content and practice, total dollar investment, and its ability to regulate itself. Over 2,400 businessmen completed an eight-page questionnaire. Responses indicate that businessmen view advertising as vital to business and they strongly believe that it helps raise the standard of living, results in better products for the public and speeds development of markets for new products. Executives feel that advertising standards have increased slightly, but tend to believe that advertising needs to adopt stronger and more stringently enforced ethical codes.

Greyser, Stephen A. and Raymond A. Bauer. "Americans and Advertising: Thirty Years of Public Opinion." Public Opinion Quarterly, Vol. 30 (1966), pp. 69-78.

This article presents a historical review of American public opinion toward advertising as an institution in our society, particularly in the twentieth century, including an examination of a series of public opinion studies with questions on advertising dating from the 1930's. The authors sought to learn whether the public's opinions have changed over the past three decades. Opinions are examined in perspective on issues such as the public's general favorability toward advertising, advertising and the economy, advertising as a persuader, truth and standards of advertising, and advertising's effect on prices. The general conclusion is that there seems to be no reason to believe that Americans are particularly more or less critical of advertising today than they have been in the past.

Greyser, Stephen A. and Bonnie B. Reece. "Businessmen Look Hard at Advertising." Harvard Business Review (May-June, 1971).

For this study of businessmen's attitudes toward advertising, an eight-page questionnaire was completed by 2700 HBR subscribers. The study revealed that businessmen today take a somewhat more critical stance than in years past in areas of advertising's economic role, its social impact and its perceived truthfulness. Executives agree that advertising is essential to business and that the public places more confidence in advertised products than unadvertised ones. Respondents felt that advertising results in better products and helps raise standard of living, and that if advertising were eliminated, selling expenses would have to go up. The study is examined in detail, with many comparisons made to the findings of the 1962 study which examined similar issues.

Greyser, Stephen A. Written Submission.

Reviews briefly some lessons derived from historical criticism of advertising. Lays out a structure for considering social issues in advertising. Dissects several important current issues, notably truth and taste in advertising.

Suggests some explanations as to why so much misunderstanding abounds as to advertising's power and how it works. Expresses a preference for calibration, rather than restructuring, of advertising-and-the-marketplace. Urges greater use of consumer research in efforts to understand and assess advertising's social roles.

Greyser, Stephen A. Testimony (T47-78).

See written submission. In discussion with the commissioners, Prof. Greyser spoke about the possible effects of advertising on societal values, and cautiously endorsed the suggestion that this might be a worthwhile topic for research (T71-74). He also stated his belief that one beneficial outcome of the hearings would be to establish more clearly what was known and what was not known about advertising (T75). Finally, Prof. Greyser agreed with a commissioner that international comparisons of practices in children's television would be a useful exercise (T78).

Guest, Lester. "Status Enhancement as a Function of Color in Advertising." Journal of Advertising Research, Vol. 6, No. 2 (June, 1966), pp. 40-44.

Data were collected to test the hypothesis that color alone as a characteristic of advertisements would inflate the prestige of a company. During each of three years, 1958, 1961, and 1963, a sample of respondents was personally questioned on a number of advertising topics, and elicited comments about present black-and-white or color advertisements. The data obtained do not support the contention that companies sponsoring colored advertisements receive a bonus of greater prestige as a consequence of color alone.

Haaland, Gordon A. and M. Venkatesan. "Resistance to Persuasive Communications: An Examination of the Distraction Hypothesis." Journal of Personality and Social Psychology, Vol. 9, No. 2 (1968), 167-170.

In studying the effects of distraction on attitude change, Festinger and Maccoby hypothesized that individuals would change their attitudes more if distracted during the presentation of a persuasive communication, since the active process of counterargument was inhibited. McGuire noted that a learning-theory approach would predict opposite results since distraction should inhibit reception of the persuasive material. In an experiment manipulating both visual and behavioral distractions in a persuasive communication it was found that less attitude change occurred in the distraction conditions. Distracted subjects were also less able to recall arguments presented in the persuasive communications. The results were interpreted as supporting a learning-theory approach to distraction and attitude change.

Halberstam, Michael J., M.D. Letter to the Senior Vice President of the American Association of Advertising Agencies, October 6, 1970.

In a letter to William J. Colihan, Dr. Halberstam supports his opinion that current adolescent and youth drug use has little or nothing to do with medicinal advertising or medicine-taking in adult society, and gives four specific reasons for rejecting this supposed cause and effect relationship. He also suggests five possible research projects to investigate the relationship between drug use and television.

Haggarty, Edward W. Written Submission.

Discusses the role of advertising, especially subjective advertising (advertising which does not contain primarily informational material). Concludes that a severe limitation on this type of advertising could be significantly damaging to the nation.

Discusses businesses' responsibility in advertising. Outlines recommended improvements in advertising:

- Additional attention to truthfulness, accuracy, and good taste.
- More emphasis on product health and safety information.
- Increased care in execution of children's advertising.
- renewed vigorous self-regulation by the business community.

Written testimony includes a copy of the Chamber of Commerce Consumers Affairs Committee "Statement on Advertising."

Haggarty, Edward W. Testimony (T1916-1938).

Accompanied by Hubert M., Tibbetts and Kenneth F. Stinger, the written submission of Tibbetts and Haggarty was entered into the record (T1917). Mr. Haggarty addressed the Commission first. He discussed the National Chamber of Commerce's posture on a positive approach to improving and strengthening business-consumer relations (T1920-1921), commented on informativeness in advertising (T1922), and substantiation in advertising (T1922-1924). He described three areas being evaluated for study by the Research and Planning Subcommittee of the National Chamber of Commerce; unfair practice (T1925), defining the thinking and attitudes expressed by the business, legislative, and consumer advocate representatives (T1925) and the interchange of information on business consumer programs, primarily at the local market level (T1925).

Hammond, S. B. and Helen Glesser. "Mass Media Preference in Adolescence." Advertising Broadcast Control Board (1971).

Concerned with 10-year data gathered between 1951 and 1967, this is an account of mass media likes and dislikes, and preferred ways in which the young men in the sample spent their leisure time in 1967. This sample of young men is of particular interest in connection with the effects of television because the initial study of them, in 1957, almost coincided with the introduction of television in Victoria, Australia.

Hardin, David K. Written Submission.

Testifies to scope, utility and use of market research to evaluate advertising, describes criteria: awareness of brand and advantages, building preference, creating a sale. Outlines methods for testing dollar weight effectiveness, summarizes new methodology including split-run CATV.

Hardin, David K. Testimony (T505-529).

After presenting his prepared speech, Mr. Hardin discussed the following topics with the commissioners: measuring the effectiveness of the various aspects of marketing (T516-518), appraising effectiveness of message content (T518-519, T523-529) and unique performance claims (T519-522).

Harris, Jack. Text of Remarks before the Children's Programming Workshop sponsored by the ABC Television Network, New York City (June 23, 1971).

Mr. Harris, President and General Manager of Channel 2 Television in Houston, Texas, addressed the Workshop, discussing the problems and opportunities of children's television programming at the local station level. He explained the two available options: a quantity of children's programs with emphasis on entertainment, or a very limited amount of local programming with emphasis on enrichment. A local program, "Sundown's Treehouse," is described as an example of what can be accomplished.

Hartman, Louise. Testimony (T361-367).

As part of the joint presentation of Gordon Webber, Ms. Hartman accompanied Peggy Kohl, and gave a demonstration of how a cake is prepared for photography.

Harvey, James N. Text of Remarks before the Children's Programming Workshop sponsored by the ABC Television Network, New York City (June 24, 1971).

Mr. Harvey, President and Creative Director of Harvey and Carlson, Inc., addressed the Workshop, expressing his belief that children's television is reasonably good but can continue to produce more good shows appealing to more children. Citing the Roper study as evidence, he felt that most parents see nothing wrong with commercials for children and stated that commercials do not manipulate children as consumers. He claimed that children are perceptive of commercial exaggerations and misleading messages and that they like commercials as much as some programs they watch.

Harvey, James N. Testimony (T1639-1666).

In his formal presentation, Mr. Harvey describes how the Milton Bradley company tests new toys and games (T1640-1642), concept testing (T1642-1643), testing for safety (T1643-1644), how the test data influence the development of television advertising (T1645), how TV advertising is created (T1646), presentation to the NAB Code Authority (T1647), how TV advertising effectiveness is tested (T1647-1649) and the production of the commercial (T1649-1650). He next discusses children's perception of and response to television commercials of preschoolers (T1650-1651), of 6 to 8 year olds (T1651-1652), of 9 to 11 year olds (T1652-1653). Following his prepared statement he responded to questions from the commissioners. Topics included source of children used in testing products and commercials (T1654-1655), demographics of these children (T1656-1657), target audiences for finished commercials (T1657-1659), professional assistance use in pretesting commercials (T1660), standards used to predict the success of a new product (T1660-1661), and cynicism of children toward advertising (T1662). He states that for Milton Bradley the ratio of advertising to sales is 4 percent (T1663), describes certain interests of children (T1664) and describes testing for product safety (T1665-1666).

Haskins, Jack B. "Factual Recall as a Measure of Advertising Effectiveness." Journal of Advertising Research, Vol. 4, No. 1 (March, 1964), pp. 2-8.

Learning and recall of factual information from mass communication does occur. However, recall and retention measures seem, at best, irrelevant to the ultimate effects desired, the changing of attitudes and behavior. This conclusion is based on a review of seven advertising studies and 21 published nonadvertising studies. The author states that communications research studies found in a search of ten years' relevant literature are precisely designed and executed, but generally use small samples in unrealistic situations. The results of the two kinds of studies agree, however, and according to the author, this congruity reinforces belief in the value of small-scale experimentation.

Heiskell, Andrew. Written Submission.

Stresses that advertising is the "lifeblood" of the press. Without advertising revenues "the free press, as we know it today, could not continue to exist." Points out that aside from the importance of advertising revenue, advertising is a good and valuable service in and of itself. It is an integral part of the service provided by the press and desired by the American consumer.

Heiskell, Andrew. Testimony (T146-163).

See written submission.

Helfgott, Myron. Written Submission.

Refer to Aaron Locker's written submission.

Helitzer, Melvin. Written Submission.

Discusses the youth market. Gives five reasons why advertising to the youth market is beneficial. Maintains that what most critics object to is not the advertising but the product.

Refers to creative devices that legitimately excite the imagination and desire of youth audiences.

Recommends three proposals for further study and implementation by the FTC.

Helitzer, Melvin. Testimony (T1398-1413, 1424-1443).

Mr. Helitzer presented his prepared statement. Following a speech by Mr. Miller, he responded to questions from the commissioners. He described a system of letting advertisers buy into a daily group of children's programs on a flat rate which would permit equal rotation of all commercials (T1424-1425) and discussed various methods of research with children (T1426). He suggests that there is not one standard that can be given for children's advertising which wouldn't also be applicable to adult advertising (T1428) and that standards for adult advertising should be raised (T1429). He discussed misrepresentation (T1433) and the credibility of advertising (T1434) and using advertising to teach rudimentary lessons in buying decisions (T1437-1438). Discussed safety of advertised products (T1440-1442).

Henry, Jules. "Advertising as a Philosophical System," Chapter 3 from Culture-Against Man, New York: Random House, 1963, pp. 45-99.

This chapter demonstrates the character of advertising thought and shows how it relates to other aspects of our culture.

Hensel, James S., Brian Sternthal, and Roger D. Blackwell. "GSR and Pupil Dilation as Measures of Advertising Effectiveness: Toward the Resolution of the Current Mysticism," unpublished, undated paper.

This paper assesses the applicability of galvanic skin responses (GSR) and pupil dilation responses to the measurement of advertising effectiveness. A theoretical model that relates GSR and pupil dilation responses to a presently used verbal advertising effectiveness criterion is developed and experimentally tested using sixty undergraduate students. The usefulness of physiological instrumentation in communication research, and particularly in advertising effectiveness investigations, is examined. The authors conclude that since GSR and pupil dilation monitor two attentional dimensions, and are substantially related to the level of retention that ensues, they offer an ability to assess a set of mediating variables that are important in determining the retention of advertisements.

Horner, Vivian. Written Submission.

Describes some of the methodology and findings of research connected with the development of "Sesame Street" and "The Electric Company."

. Discusses the "distractor" method.

. Discusses a stop-action format for testing.

These methods measure audience response in such areas as appeal, comprehensibility, and instructional effect.

Horner, Vivian. Testimony (T1668-1689).

Following presentation of her prepared statement, Dr. Horner answered questions from the commissioners. Topics discussed were techniques of measuring what has been learned from given television segments or commercials (T1681-1684), values of children as affected by television as a socializing agent (T1685-1687) and present and future research programs (T1688-1689).

Hornik, Jacob. "Resistance to Advertising and Immunization to TV Commercials; a Multidimensional Analysis." Doctoral Dissertation Proposal - School of Management, Syracuse University (July 1971).

The proposed study provides a conceptual framework for linking resistance, awareness, attitude and behavioral change to one another. It describes an empirical investigation relating advertising and consumption, which will investigate the possible interrelationships between personal traits and resistance to commercials. The focus of the proposed study is on four basic dimensions of audience resistance to the advertising process. The data for the proposed study would be collected by a survey employing a formal questionnaire administered to a random sample of TV viewers.

Howard, John A. "Structure of Buyer Behavior." A summary of J. A. Howard and J. N. Sheth, The Theory of Buyer Behavior, New York: John Wiley and Sons (1969).

A structure intended to describe buying behavior is set forth in three parts constituting three mutually exclusive categories to simplify its exposition: EPS (Extensive Problem Solving - the buyer needs a great amount of information), LPS (Limited Problem Solving - the buyer needs considerable information) and RRB (Routinized Response Behavior - the buyer needs relatively little information). A policy maker - private or public - can fit his problem into one of the three categories and proceed to analyze it with those respective concepts.

Howard, John A. "Buyer Behavior and Related Technological Advances." Journal of Marketing (January, 1970), pp. 18-21.

The author offers his views regarding consumer behavior research, the progress in this field, and the impact of developments on market researchers, marketing executives, company presidents, public policy makers, and basic researchers. In the author's opinion, the integration of these developments represents a major breakthrough in marketing with important implications for the 1970's.

Howard, John A. and Spencer F. Tinkham. "A Framework for Understanding Social Criticism of Advertising." Edited draft to appear in October 1971 issue of Journal of Marketing (July 1, 1971).

Considering the critics' arguments against advertising suggests that the advertiser must know what the social critics are saying and must also evaluate the premises on which the arguments are based. The authors develop a systematic way to classify and analyze arguments against the methods, activities and influence of advertisers. They attempt to create a framework to state precisely those issues implied by the popular social criticisms of advertising, and specific criticisms are considered within this framework.

The authors feel that the structure and its constituent constructs are operational enough to guide the design of research that can provide objective evidence needed for sound public policy decisions.

Howard, John A. "New Directions in Buyer Behavior Research." Delivered by Prof. Howard, Columbia University, before the American Marketing Association, August 30, 1971, Minneapolis, Minnesota.

In regarding the buyer as a speaker and language user as well as a receiver of information, the author develops a structure to include linguistic aspects of the message-receiver situation to look at the effects of information on buyer behavior. From his analysis, the author concludes that since the buyer confronted with a flow of information cannot accept it all, he must reject some. If he has no immediate need for an item and it is not an involving product class, passively received information has small chance of reaching permanent memory and so affecting behavior. But if there is a need for the product and familiarity of product class, if he observes a message of some complexity, he may actively process and sort information which is useful. If relevant information is sparse, he may infer relevance to limited information given.

Hughes, Meredith. "Womens Lib Invades Promotion With List of Do's and Don'ts." Advertising & Sales Promotion, May, 1971, pp. 57-58.

Summarizes a talk given by Ms. Lee Walker, member of NOW, at a POPAI (Point-of-Purchase Advertising Institute), Workshop on "What type of in-store displays offend women and why?" Top on the list were those displays which lock women into a stereotypical role, function or personality. She concluded by offering a few guidelines for projecting a positive image of women.

Hupfer, Nancy T. and David M. Gardner. "Differential Involvement With Products and Issues: An Exploratory Study." Presented at the Association for Consumer Research Annual Conference, University of Maryland, September 1, 1971.

This paper reports findings intended to clarify thinking about ego-involvement (a general level of interest in or concern about an issue without reference to a specific position). The study is designed to test empirically the widespread intuitive hypothesis that issues are more important (ego-involving) than products and to give some evidence of product and issue ranking on this variable. Twenty products and twenty issues were chosen for investigation. Subjects, forty-four male undergraduate students were asked to rate ten issues and ten products as to how important the product or issue was to them personally. Conforming to the intuitive hypothesis, results point out the absolute necessity of taking into account the actual level of ego-involvement with a product or issue if the investigator believes there will be a differential response to communications based on the level of involvement with the topic of the communication.

Jacoby, Jacob. "Exploring the Potential of Negative Sources: An Application of Heider's Balance Model." Purdue Papers in Consumer Psychology. Paper No. 110 (1970)

The typical advertising strategy for the promotion of new products is to have positively valenced sources make favorable statements regarding the product. Heider's Balance Model (1958) suggests a second, non-obvious strategy for generating increased consumer preference and purchase intentions, namely to have disliked sources make unfavorable statements regarding the product. Eight groups of undergraduates (a total of 265), placed into hypothetical situations involving several frequently used commodities, were used to test the effect of negative source-negative statement conditions on preference intentions. Results generally confirmed the hypothesis. Implications for advertising strategy and subsequent research are discused.

Jelliffe, D. B. "Commerciogenic Malnutrition?" Food Technology, Vol. 25, No. 2, Pages 55-56.

The author discusses the world-wide prevalence of malnutrition, particularly in children, and feels that infant foods by large companies have been exported to countries where they may do more harm than good because of great differences of economic level, hygiene, and maternal education. Both the content and techniques of advertising used are those widely employed in the Western World, with emphasis on status and convenience, and the tropical mother is very vulnerable to such persuasion but lacks the facilities and the amounts necessary to use these products properly.

Jennings, Ralph M. "Programming and Advertising Practices in Television Directed to Children." New York, April 29, 1970. A study prepared for ACT.

This study, prepared for Action for Children's Television, is divided into three parts. The first part examines programming available to children on commercial television stations in thirteen selected markets during a sample week in February, 1970. The second part is a study of commercials on regular network television programs directed to children in 1969, and the third is a study of spot commercials aimed at children in the New York market during two sample weeks in the spring and fall of 1969. Data for the studies was drawn from various local editions of TV Guide, BAR (Broadcast Advertisers Reports, Inc.), Service Weekly Reports, and BAR Spot Television Service. Detailed tables accompany the study.

Jennings, Ralph M. and Carol J. Jennings. Programming and Advertising Practices in Television Directed to Children. "Another Look": (Short Version Without Table VI) A Study Prepared for Action for Children's Television, July, 1971.

This study is designed to supplement a similar examination of programming and advertising practices directed to children which was prepared for ACT. Data is based upon the sample seven day "Composite Week" designated by the FCC to be representative of a week's television programming. Also included is an historical analysis of past children's programming on both television and radio. Data for the studies was drawn from TV Guide, Bar Network Service Weekly Reports, and New York Times television and radio program listings.

Johnson, Charles E. Text of Remarks before the Children's Programming Workshop sponsored by the ABC Television Network. New York City, June 23, 1971.

Charles Johnson, Chief of Education and Social Stratification Branch, U.S. Bureau of the Census, addressed the workshop. Citing statistics, Mr. Johnson indicated that today's children are numerous, urban, enrolled in schools, and members of families with relatively high levels of income and education. He stated that their intelligence and sophistication must be kept in mind as future programming for children is planned.

Johnson, George. "George Johnson Sees Keepers Seizing Control of the Asylum." Southern Advertising and Publishing, June, 1971.

Johnson states that advertisers are seizing more and firmer control of the advertising function and are busily exploring alternatives to agency services, and lists ten things that the full-service agency will have to do in order to survive. These include changes in budgeting, changes in the commission system of compensation, and new attitudes toward advertisers, media, and agency responsibility.

Johnson, George. "One Hell of a Ride." Talk at the Spring 1970 Management Conference, Intermarket Association of Advertising Agencies, Kawai, Hawaii, April 3, 1970.

Mr. Johnson speaks on the trends of advertising he anticipates for the 1970s. He recognizes a possible decrease in American consumption, and foresees that the annual growth rate of advertising may slow down to 3 percent per year in the 70s, with an increasing percentage of ad budgets used for social purposes. Stating that the cost of advertising will force advertisers and agencies to produce advertising which is more scientific, predictable and effective, he feels that good communication research will increase. He describes the role of the advertising agency in terms of the changes he predicts.

Jones, Chuck. Text of Remarks before the Children's Programming Workshop sponsored by the ABC Television Network. New York City, June 23, 1971.

Chuck Jones, Executive Producer of "Curiosity Shop" of the ABC Television Network gave the opening address at the workshop. He discussed the factors necessary to producing a quality program to command a reasonable share of the audience, offering four specific suggestions toward this goal.

Jones, Mary Gardiner (Commissioner). "The Responsibilities of Consumer Protection Efforts in the Field of Advertising". Address before the Consumer Protection Conference, April 29, 1971.

In her address, Commissioner Jones focuses particular attention on television advertising directed at children, briefly describing the variety of consumer complaints regarding it. She discusses regulatory actions that could be taken by the FCC and FTC to eliminate from these commercials features which appear most objectional, to instead promote honesty, controlled volume and length, and elimination of persuasive overtones.

Jones, Mary Gardiner (Commissioner). "The Inner City Marketplace: The Need for Law and Order." The George Washington Law Review, Volume 37, Number 5 (July, 1969).

This article describes some of the steps taken by the Federal Trade Commission to combat the conditions which create problems encountered by the poor in purchasing the basic necessities of life. The emphasis is placed on a review of the Commission's actions taken to eliminate frauds and deceptions the field of credit, and recent efforts to develop an in-depth analysis of the sales and credit practices of the ghetto merchants.

Kaish, Stanley. "Cognitive Dissonance and the Classification of Consumer Goods." Journal of Marketing, Vol. 31 (October, 1967), pp. 28-31.

The theory of cognitive dissonance is one of the recently developed tools that marketing has borrowed from the behavioral sciences to investigate consumer behavior. The classification of goods into convenience, shopping, and specialty categories, on the other hand, is among the most venerable ideas in marketing literature. This article merges the two by using the theory of cognitive dissonance to give a new dimension to the classification of consumer goods. The result is a fresh set of behavioral criteria for classifying goods.

Kanter, Donald L. "Advertising and the Mexican American Consumer" November 18, 1971. (A paper presented to A.A.A.A. Southwest Council Annual Meeting, March 12, 1970, Dallas, Texas.)

A first report on a continuing study of Racial Minority Group Perceptions of Advertising, to gain insights into the economically disadvantaged members of the Black and Mexican-American Communities and how they look at the advertising and marketing processes. This first report concerns itself only with the Mexican-American Community in Los Angeles and understanding the relationship between it and the marketing processes. The study consists of four group discussions with Mexican-American housewives in the $4000-$6000 a year family income bracket and one hundred short structured interviews with housewives in this same category. Data shows that Mexican-Americans believe in the importance of advertising even more than their Anglo counterparts and at the same time mistrust it more. Many feel it is too persuasive. The Mexican-Americans dislike being left out of the commercials, particularly when Blacks are increasingly included, since advertising tends to be a yardstick by which minority group members chart their progress in their search for acceptance, recognition and response from the Anglo Community. Some inplications for more effective advertising communications are discussed.

Kanter, Donald L. "Communications Theory and Advertising Decisions." Journal of Advertising Research, Volume 10, No. 6 (December, 1970).

Four experiments demonstrate that it is possible to use a variety of criterion variables to reflect the process of attitude change; that it is possible to develop control variables which not only reduce response variance, but also help explain data; and, that the internal dynamics of stimulus reaction complement and relate to certain aspects of cognitive dissonance theory, perception theory, and projective psychology. Experiment I, using 100 male and female heads of household as respondents to interviews, hypothesized that for a new and unfamiliar brand, another discriminating predisposing variable would be "interest in trying new brands." Experiment II hypothesized that predisposing variables can influence the comprehension of advertising, and interviewed respondents after exposure to a test product. Experiment III was designed to test eight potential criterion variables in the form of attitude statements, and consisted of 200 interviews following exposure to a test ad. Experiment IV used two groups of 100 respondents, each shown a tv commercial to see if there were qualitative differences betwen two commercials for the same product.

Kassarjian, Harold H. "The Negro and American Advertising 1946-1965." Journal of Marketing Research, Vol. VI (February, 1969), pp. 29-39.

This article presents a content analysis of ads that have used Negro models or actors in selected mass circulation magazines over a 20-year period. Results indicate that the frequency of using Negroes has not increased over the 20-year period. Instead it decreased in 1956, and by 1965 it merely reached the 1946 level. The Negro's occupational status, however, has risen significantly, but he is still seldom found in conventional middle-class settings.

Kelly, Stephen. Letter to Chairman Kirkpatrick. November 11, 1971.

Stephen Kelly, president of Magazines Publishers Association, Inc., addresses a letter to Chairman Kirkpatrick of the Federal Trade Commission to enclose a list of major magazine articles that appeared, starting in 1919, relating to drug addiction.

Kelly, Stephen E. Written Submission.

Discusses magazines in terms of their relationship to the advertiser and to the public as citizens and consumers.

Says that magazines offer the advertiser these basic values:

- involvement with the editorial material
- time to consider the message
- permanence: an opportunity to sell weeks or even months later
- selectivity by editorial subject and demographics

States that a magazine publisher assumes the responsibility to exame each advertisement in order to screen out these which appear fraudulent or against the best interest of his readers.

Kelly, Stephen E. Testimony. (T1027-1045)

After delivering a prepared speech Mr. Kelly commented on the following: Standards for magazine ads (T-1038), limits of regulation, (T1039, 1040), and responsibility of publisher (T1043).

Kendall, Donald M. Written Submission.

Testifies that much of current discontent with advertising reflects a deepening misunderstanding or distrust of the whole American system of free enterprise.

Positions advertising as an inseparable part of total marketing. Defines marketing as a democratic concept, because it is based on the principle that underlies our elective system itself -- individual freedom of choice.

Kendall, Donald M. Testimony. (T123-145)

In his oral testimony, Mr. Kendall dwelled on some specific criticisms of advertising (T132-135), using some "classic" examples of ads to support his points. (T135-137) Argued for vigorous application of existing remedies, but was concerned about the possible implications of "broad new restrictions." (T140) In discussion, Mr. Kendall expanded his views on the informative role of advertising (T141-145).

Kennedy, John R. "How Program Environment Affects TV Commercials." Journal of Advertising Research, Volume 11, Number 1 (February, 1971) pp. 33-38.

A study investigates the effect of program environment on commercial impact. A small, controlled experiment was run utilizing two program treatments and three commercials. Six communication measures were used to collect data on commercial impact. Five hypotheses on program effect were generated from the theoretical base that viewer interest in program storyline would create a temporal drive for closure, and that the existence of this drive for closure would have an impact on the performance of commercials inserted in the program. The experimental results provide evidence that the effect of program environment is not independent of the product and/or manner in which the product is presented in the commercial.

Kildegaard, Ingrid C. "The Exploding Senior Market." Journal of Advertising Research, Volume 4, No . 1 (March, 1964) pp. 42-45.

This article examines statistics on the over-65 segment of the population, which is growing twice as fast as the rest of the population. It concludes that older citizens are rapidly increasing both in affluence and numbers, thus creating a new market for advertisers.

King, Charles W. and John O. Summers. "Attitudes and Media Exposure." Journal of Advertising Research, Volume 11, November 1, (February, 1971). pp. 26-32.

The purpose of this study was to explore whether attitudinal variables, broadly defined, are related to media exposure, and to gain insight into the nature of that relationship. The data were collected in a survey of new product adoption behavior, and used a personal interview questionnaire and a series of four self-administered questionnaires. The test population was a random sample of 1000 homemakers. The authors conclude that the presented data suggest the potential value of using attitudinal profiles of media audiences. Substantial differences were demonstrated among the attitudinal profiles for six broad media classes. The authors suggest that a knowledge of attitudinal profiles may aid the copy writer in better adapting advertising copy to specific media audiences.

Kitman, Marvin. "When the British Learned to Fear Smell", Newsday, undated.

It was an American idea to use the medium of television to show the pitfalls of offensive odor. According to the author, the people of Great Britain were the last to learn about "offensive smell" because of the absence of advertising on British television ITV and Colgate Palmolive helped start the new trend, and British ad agencies have subsequently been very successful in making their people smell-conscious and afraid of offending, following in the footsteps of Madison Avenue genius.

Klein, George S. "Consciousness in Psychoanalytic Theory: Some Implications for Current Research in Perception." (Presented at the Freud Century Symposium, Brandeis University, December 16, 1956.)

The author presents the theory of consciousness and awareness, one of several nodal conceptions of psychoanalytic ego theory which seem to be profitable for research in perception. He discusses certain research,trends, growing out of the psychological laboratory, which may have a unique part in sharpening and refining the psychoanalytic theory of consciousness.

Kohan, Xavier. "A Physiological Measure of Commercial Effectiveness." Journal of Advertising Research, Volume 8, No. 4, pp. 46-48.

This study attempts to use the galvanic skin response as a measure of commercial effectiveness. In a laboratory experiment, each of 20 subjects was shown three commercials, and while watching, the subjects' galvanic skin response was taken. During a second showing of three commercials, the same subjects were asked to give a verbal indication of interest. The study showed that peaks in skin resistance occurred when interest in the commercial built up, but did not correlate with the verbal reports of interest.

Kohl, Peggy. Written Submission. Refer to Gordon Webber's Written Submission.

Kohl, Peggy. Testimony (T361-367)

As part of the joint presentation of Gordon Webber, Miss Kohl spoke on food photography, accompanied by a demonstration by Louise Hartman on how a cake is prepared for photographing.

Kollat, David T. and Ronald P. Willett. "Is Impulse Purchasing Really a Useful Concept for Marketing Decisions?" Journal of Marketing, Volume 33 (January, 1969), pp. 79-83.

Impulse purchasing is an important aspect of in-store behavior. The authors indicate that the concept, as presently employed, has limited usefulness as a basis for marketing decisions. They suggest that the concept needs to be more precisely defined, that a series of methodological studies needs to be conducted in order to devise a measuring instrument and process that will equate measured and actual purchase intentions, and that unplanned purchase rates need to be computed for individual brands as well as product categories.

Kotler, Philip. "Toward an Explicit Model for Media Selection". Journal of Advertising Research, Volume 4, No. 1, (March, 1964), pp. 34-41.

A media planner must always rely partly on subjective beliefs unsupported by solid data. In his article, Kotler shows how these beliefs can be quantified to produce the "best" decision consistent with them. Rated exposure value (r.e.v.) is a quantitative measure designed to express the anticipated impact of a particular medium. Starting with the vehicle's audience size, it is then adjusted by scale values reflecting 1) audience characteristics in relation to segmental strategy, 2) intermedia differences, 3) intramedia differences, and 4) advertising unit differences. The result is a quantitative measure which serves as a guide for selecting media, the objective being to develop a schedule which maximizes the total r.e.v. for a given budget.

Kotler, Philip, and Sidney J. Levy. "Broadening the Concept of Marketing." Journal of Marketing, Volume 33 (January, 1969), pp. 10-15.

Marketing is a pervasive activity that goes considerably beyond the selling of toothpaste, soap, and steel. The authors interpret the meaning of marketing for nonbusiness organizations and the nature of marketing functions such as product improvement, pricing, distribution, and communication in such organizations. The question considered is whether traditional marketing principles are transferable to the marketing of organizations, persons, and ideas.

Kotler, Philip. "Elements of Social Action." American Behavioral Scientist. May-June, 1971.

Social action is the undertaking of collective action to mitigate or resolve a social problem. This article proposed a framework that would comprehend a large range social action phenomenon - as found in social work, politics, reform movements, and revolutionary causes. A framework involving five elements - cause, change agent, change target, channel, and change strategy - provides a useful framework for social action analysis.

Kotler, Philip and Gerald Lastman. "Social Marketing: An Approach to Planned Social Change." Journal of Marketing, Volume 35, No. 3 (July, 1971)

The applicability of marketing concepts to social objectives such as brotherhood, safe driving, and family planning, is examined. The article discusses the meaning, power and limitations of social marketing as an approach to planned social change, and the authors show how social causes can be advanced more successfully through applying principles of marketing analysis, planning and control.

Krugman, Herbert E. "The Impact of Television Advertising: Learning Without Involvement." Public Opinion Quarterly. (1965) pp. 349-356.

Does television advertising produce sales by changing attitudes? Not always, says Herbert E. Krugman in his presidential address before the American Association for Public Opinion Research on May 15, 1965. It may do so, he states, just by changing perceptions of the product in the course of merely shifting the relative salience of attitudes, especially when the purchaser is not particularly involved in the message. This arresting thesis has important implications for noncommercial as well as commercial persuasion efforts.

Krugman, Herbert E. "An Application of Learning Theory to TV Copy Testing." Public Opinion Quarterly, Volume 26, 1962, pp. 626-634.

This paper extends some of the principles of learning theory to a few problems in connection with evaluating the effectiveness of television advertising. It suggests a method for identifying the point at which increased attention and recall are no longer reinforced by further exposure to copy. Krugman suggests the usefulness of affective learning theory as a tool for better understanding the processes of copy impact.

Krugman, Herbert E. "Temporary Effects of Communication." Journal of Advertising Research, Volume 10, Number 1 (February, 1970) pp. 15-17.

This study attempts to 1) select some attitudes of conventionally proven stability, and 2) demonstrate their temporary flexibility in response to modestly varied versions of the same visual stimulus. A method for eliciting this variability is also discussed. The procedure called for respondents to make judgments about five well-known national companies, and used telephone and personal interviews. In the particular context of this study, attributions of product quality and other corporate virtues are shown to be highly susceptible to the influence of the communication at the time of exposure and interview. It is not suggested that the influenced response persists for any appreciable length of time, but that the momentarily influenced response may soon give way to the more stable response.

Krugman, Dr. Herbert E. "Electroencephalographic Aspects of Low Involvement: Implications for the Mcluhan Hypothesis." Marketing Science Institute, October, 1970.

Based on his view of television as a "low involvement" medium, Dr. Krugman has carried on research projects exploring the special nature of response to television commercials. In this paper, he discusses some of his findings and their implications for advertisers. In particular, he discusses the study of brainwaves of a subject who was being exposed to a magazine advertisement and three television commercials. The experiment confirms the view of television as a relatively passive medium.

Krugman, Herbert E. "Brain Wave Measures of Media Involvement." Journal of Advertising Research, Volume 11, Number 1 (February, 1971) pp. 3-9.

In a study designed to measure brain waves produced in response to television commercials, one 12-year-old female was the subject in a laboratory experiment. Three commercials were run in sequence three times for a total of nine viewings, with interim periods during which the subject looked at available printed material (magazines). Analysis of the brain wave (EEG) data was made. Results showed that the subject's mode of response to television was very different from her response to print. It appears that the response is more to the media than to content differences in the commercial message.

Krugman, Herbert E. Written Submission.

Discusses measurement techniques from 1922 to present, explains "recall" techniques, displays "forgetting" curve. Stipulates that successful advertising is based on three factors: information, reasoning and emphasis.

Concludes that advertising is competing mightily for the attention of large numbers of not-too-interested viewers, while a small number of serious shoppers are seeking out information from all sources including advertising. On the whole, consumers shop for information from advertising in the same way they shop for products in stores. Some items take very little attention, and some take a great deal. Deceptive information, just like faulty products, can be screened out by pretesting.

Krugman, Herbert E. Testimony (T119-232)

In addition to presenting his written testimony (T119-209), Dr. Krugman engaged in an extensive discussion with the commissioners. Issues covered included extent of consumer exposure to advertising (T210), consumer recall and association (T211-215), methodology of Starch readership and recognition measures (T215-216), measuring advertising results (T216-219), attention getting (T219-221), "tuning-out" of TV advertisements (T222-224), advertising to children and the use of sports personalities (T225-227), measures of advertising effectiveness (T230), and use of testimonials (T231).

Kuffler, Phyllis. It Is Time to Learn: A Survey of Children's Learning from Birth to 6 Years. Mimeo: Boston, Mass., 1969.

This is a detailed survey of children's learning before the age of six, attempting to state current thinking and research about the progress, the process, and the learner. The emphasis throughout the study is upon the uniqueness of the individual, which is dependent on physical processes, affective relationships, the emotional climate in which the child lives, cultural elements internalized by the child, and peer-group relationships.

Lehmann, Donald R. Written Submission.

Focuses on the effects of current television advertising on children. Lists "representative" proposed solutions to the problem of regulating television advertising to children. Discusses some of the empirical questions posed by these alternative solutions. Discusses the results of an exploratory study designed to investigate some of the effects of television advertisements on two-to six-year olds. Summarizes the problems involved in and the advantages likely to accrue from further research.

Lehmann, Donald R. Testimony (T1611-1637)

Professor Lehmann presented his prepared statement and then responded to questions from the commissioners. Topics discussed were advertising promotions by personalities from TV shows and its influence on children (T1628) and does this reduce the set of alternatives which the child perceives (T 1629-1631), the susceptibility of certain population segments to certain kinds of claims (T1631), regulations on advertising (T1632-1633), children's emotional responses to advertising (T1633-1634) and government legislation to encourage further research (T1635-1637).

Letters from Children. Dated April 15, 1971.

Fourteen second grade children in Shaker Heights, Ohio, wrote thank-you letters to Miss Solganik who spoke to the class regarding the Federal Trade Commission and its concern with advertising for children. Also included is a report written by the class regarding some advertisements it felt were deceptive.

Leventhal, Howard, and Robert Paul Singer. "Affect Arousal and Positioning of Recommendations in Persuasive Communications." Journal of Personality and Social Psychology, Vol. 4, No. 2 (1966) pp. 137-146.

Visitors to a state exposition were exposed to fear communications and recommendations on dental hygiene. It was expected that acceptance would be greater after high than low fear, if recommendations were positioned so as to be associated with fear reduction. Recommendations were placed in the communications before, intermixed with, or following the fear stimuli. Results showed that the higher the level of fear, the higher the level of acceptance. Fear reactions to high-fear stimuli were decreased by adding recommendations and by moving the recommendations from before, to intermixed with, to after **the fear** stimuli. However, this positioning of the recommendations had no effect on acceptance, suggesting that acceptance does not depend on fear reduction.

Levy, Sidney J., and Philip Kotler. "Beyond Marketing: The Furthering Concept." California Management Review, Vol. XII, No. 2 (Winter 1969).

The article is to show that marketing is an activity that is being increasingly re-defined to include organizations and relationships that have traditionally been less talked about as part of marketing and to indicate the basic nature of marketing when its breadth is recognized.

Life, Look and Readers' Digest. "A Major Advertiser Tests the Effectiveness of General Magazines and Television," Joint Study by the Publishers of Life, Look and Readers' Digest, undated.

In order to evaluate the proposition that general magazines could be used effectively to sell the corporation's line of package goods products, a major advertiser's own research department undertook a study on the relative effectiveness of general magazines and television in the selling of consumer goods. The summary evaluation provided indicated that the balance of trend differences they analyzed were favorable to magazines in the case of three test brands, a tie in the case of one test brand, and unfavorable for one brand.

Light, Lawrence M. Written Submission.

Comments on the subject of communication testing. Focuses on fact most advertising measurements involve awareness and/or attitude change. Describes various forms of testing including on air, theater and several print testing techniques, and emphasizes deficiencies of each.

Locker, Aaron. Written Submission.

States that the toy industry is composed of a relatively large number of relatively small businesses. Discusses the following questions: What are the television viewing habits of children? Why does the toy industry advertise to children on television? Are children misled, or unfairly influenced by toy advertising? Can children discriminate in their response to television commercials? Do toy manufacturers saturate the screen with commercials? Does television advertising to children assure success for a product? Are there benefits to the consumer due to the advertising of toys on television? Is television advertising harmful to children? How do parents feel about television advertising to their children? Does toy advertising usurp the parents' role in the selection of their children's toys? What would happen to children's television programs if commercial sponsorship were to cease or decline?

Locker, Aaron. Testimony (T1444-1474)

Mr. Locker presented his prepared statement and then answered questions from the commissioners. He stated that the NAB code applies to toy advertising, and prohibits (in toy ads on television) urging children to ask their parents to buy them particular items (T1465). He felt that this should apply equally to all children's advertising (T1466). He discussed the code (T1466-1467) and called on John Dunn who explained code subscribers versus non-subscribers (T1467-1468). Mr. Locker felt that the nature of the product advertised should determine the type of advertising appeal (T1468-1469).

Loevinger, Lee. Written Submission.

Cites historical evolution of advertising criticism and warns of danger in legislative overkill. Develops contention that government agencies generally tend to overestimate their own wisdom and their own ability to formulate rules for the guidance of others. Discounts capacity of government to discriminate among the many appeals to them and to select those which do best meet their individual needs and values.

Loevinger, Lee. Testimony (T710-749)

Mr. Loevinger requested that his full report be submitted into the record. After summarizing it, Mr. Loevinger was available for questions from the commissioners. The following topics were discussed: product information in advertising and government control (T740-744), difference between regulations and legal decisions (T745-747), and Fletcher vs. Rilen and advertising (T748).

Lonning, J.E. Letter to Robert Choate, Fall 1971.

J.E. Lonning, president of Kellogg Company, responds to a letter from Robert Choate of the Council on Children, Media, and Merchandising, stating that they do not adhere to a written statement of policy and therefore such a document is not available on request.

Los Angeles Archdiocesan Council of Catholic Women. "TV School Survey Shows Concern of Parents." February, 1969.

A survey of television viewing habits among fifteen elementary schools in the Los Angeles Archdiocese resulted in 2,203 questionnaires completed of 4,841 distributed. Parents responding indicated overwhelming resistance to commercials, a desire to upgrade programming, the desire for family shows to be aired at an earlier hour, and a concern for programming with less violence, vulgarity, and bad language. A copy of questionnaire sent to parents is attached.

Loucks, Carl. Testimony (T1069-1084)

In his speech Mr. Loucks covered the following topics: segmented audiences and radio advertising (T1071-1072), radio programming (T1074-1079) and positive aspects of advertising on the radio (T1080-1081).

Lovejoy, Frederick H. Written Submittion.

Lists points of interest concerning vitamins. Lists symptoms that may be seen with excess amounts of Vitamins A, D, and iron.

Lyle, Jack, and Heidi R. Hoffman. Children's Use of Television and Other Media. University of California, February, 1971.

This study was to determine how much time children spend watching television, and what programs they watch and like. Data was also gathered to establish the role of television in the child's "life space" and to relate viewing to various social psychological factors. Data was collected from 274 first graders, 850 sixth graders, 500 tenth grade students, and from the mothers of the first graders. Self-administered questionnaires were used with the older children, and personal interviews were used with the first graders, with follow-up interviews with mothers of the first graders.

Lyle, Jack, and Heidi R. Hoffman. "Television in the Daily Lives of Children." A paper read as part of the symposium, The Early Window: The Role of Television in Childhood, at the meeting of the American Psychological Association in Washington, September 4, 1971.

To establish a framework for how much time a child spends watching TV and what he watches, data was gathered from approximately 1300 sixth and tenth graders using self-administered questionnaires, and individual interviews and one-day viewing records of 274 first graders. The study shows that children spend more time watching TV than ten years ago, and that they have become more skeptical about the medium's content and overtly hostile to commercials (as compared to a similar 1959 study). The importance of television to youngsters declines quite markedly in adolescent years. Parental control of viewing appears to be a relatively weak factor for children over six years of age.

Lynch, Mervin D. and Richard C. Hartman. "Dimensions of Humor in Advertising." Journal of Advertising Research, Volume 8, No. 4, (December 1968) pp. 39-45.

This paper presents an exploratory study designed to isolate and identify dimensions of humor in advertising, and also to see if the dimensions of humor in advertising are similar to dimensions of humor in jokes. Q-sorts were accomplished by having each of 24 respondents distribute specially selected samplings of jokes and magazine ads along a continuum from most to least humorous. Seven general dimensions of humor emerged from the analysis on joke stimuli, and eight for magazine advertisements, and each of the dimensions is discussed. The findings show considerable differentiation among individuals in terms of dimensions of humor preference, and show a marked similarity between the dimensions of humor which underlie jokes and advertising. The authors conclude that findings from basic research in humor may be directly applied to evaluate possible effects on use of humor in advertising copy.

Magazine Advertising Bureau of Magazine Publishers Association, Inc. "Magazine Campaign Changes Attitudes...Increases Share of Market," 1963.

The Clairol company's advertising campaign in national magazines reversed the long-standing prejudice among women against haircoloring, established its product as the leader, and speeded the growth of an entire industry. The article gives a general history of the campaign and its success.

Magazine Advertising Bureau of Magazine Publishers Association, Inc. "Sources of Consumer Magazine Information." May 1969.

This booklet provides a resume of some of the general sources of information about consumer magazines. Information on the following topics is given: circulation, advertising volume, advertising rates and mechanical specifications, magazine audience size and characteristics, marketing information, advertising ratings and advertising effectiveness.

Magazine Advertising Bureau of Magazine Publishers Association, Inc. "Youth 1969."

Looks at the attitudes, opinions, and preferences of young people aged 14 through 25 as indicated in the April 1969 Gilbert Youth Omnibus Survey. Promotes magazine advertising to the young consumer.

Magazine Advertising Bureau of Magazine Publishers Association, Inc. Communicating the Total Corporate Personality. undated.

This publication describes and promotes the use of magazines for corporate advertising. It presents a brief history and development of this advertising and then gives some statistics on the readership population for magazines. The top 50 corporate advertisers for 1968 are listed.

Magazine Advertising Bureau of Magazine Publishers Association, Inc. "Prime Prospects." Undated.

Prime prospects for most consumer products are usually defined by such demographics as $8,000 and Over Household Income, High School Graduate or Better, 18 Through 49 Years of Age. Analysis of W.R. Simmons tabulations indicates that the proportion of adults with these prime-prospect characteristics increases sharply as the amount of magazine reading increases. Suggest that those prime-prospects watching television are paying less attention to what the advertiser has to say.

Magazine Advertising Bureau of Magazine Publishers Association, Inc. "Folio of Success." Undated.

This booklet is a sampling of magazine advertising that helped to move a product or change an attitude.

Magazine Publishers Association. "Quotes from Magazine Day in N.Y." Undated.

Quotes from various speeches given at Magazine Day in New York. Emphasis is placed on the benefits of magazine advertising.

Magazine Publishers Association. "Credibility: The Medium and the Message." Undated.

Re-examines the 1969 Gilbert Youth Research in terms of "believability" of advertising and attitudes which relate to it. Suggest that magazine advertising is considered much more believable than TV or radio, and that many youths consider magazine ads more appealing and more helpful as a buying guide. Promotes magazine advertising using statistics.

Magazine Publishers Association. "The 1970's - New Demographics...New Patterns of Media Consumption." Undated.

How magazines and television are positioned to carry out their future editorial responsibilities is indicated by comparing articles and features as they appear in today's magazines with the general program content of today's prime-time network television.

Magazine Publishers Association. "Weight of Evidence on Changing Levels of Communications Effectiveness." Undated.

Twenty-one single or continuing research studies - eight sponsored by magazines and thirteen by advertisers, agencies, or research services - provide evidence of the fact that magazines and television are equally effective in communications impact. States that magazines continue to hold advantages of the ability to deliver persuasive communication to the target market, and prime prospect.

Mahany, Eugene S. "Partners for Profit: Children, Toys, and TV." Broadcasting (June 30, 1969) p. 18.

Television plays a significant role in the multi-billion dollar toy business. Before television most toy companies directed their printed messages at parents, while presently television commercials are aimed at children. Mahany looks briefly at problems brought upon toy advertisers by what he terms "instant communications," and discusses goals in communication design.

Maneloveg, Herbert D. Written Submission.

Defines media as one of the two basic components of advertising. Discusses media planning, strategy, and the tools used to define and measure audiences. Elaborates on various source data such as BRI, Simmons Research, Nielsen and others relating to demographics, viewing patterns and coverage by various media.

Maneloveg, Herbert D. Testimony (T459-504).

After delivering his prepared speech in slightly expanded form, Mr. Maneloveg became involved in a discussion of following topics: "Station identification" breaks (T477), advertising weights (T478), lead time for a reversal of a media decision (T479), children and advertising (T479-481), matching products and programs (T481), drug addiction and the increasing narcotics problem (T482-486), role of clients' marketing goals in advertising stragegy (T486-490), standards for framing TV messages, mood, identification and involvement (T490-498), measuring how an ad is perceived by the viewer (T498-499), "frequency-oriented plans" and "one-shot plans" (T500-502), and demographics (T502-503).

Marketing Service Institute. "New Marketing Science Institute Report Reviews Criticisms of Advertising." News Release, Cambridge Massachusetts, October 19, 1971.

Summarizes a 200-page report entitled Appraising the Economic and Social Effects of Advertising prepared by Michael Pearce, Dr. Scott Cunningham, and Avon Miller under the direction of HBS Professors Robert Buzzell and Stephen Greyser. The report deals with issues regarding advertising's economic effects - its impact on the structure of industry and competition - and its social effects on "values and life styles." Both types of effects are explored in the context of advertising's impact on consumer behavior.

Marschner, Donald C. "DAGMAR Revisited - Eight Years Later." Journal of Advertising Research, Vol. 11, No. 2 (April 1971), pp. 27-33.

DAGMAR ("Defining Advertising Goals for Measured Advertising Results") was the result of work done by a committee of the Association of National Advertising to investigate and analyze the "Corporate Management Approach to the Advertising Investment." In 1962, nine major oil companies were investigated and analyzed as part of a research project to see which gasoline marketers had adopted practices recommended by DAGMAR. The 1962 study is revealed and the companies re-examined to see how they have been doing. The average net income earned on invested capital over the nine year period, average net income earned on common stockholders' equity over the same period, and new assets generated by management during the nine years on behalf of the owners are used as yardsticks to judge successful management. The data indicate that corporate managements which accepted the DAGMAR theory in the early Sixties appear to be more successful than those which did not, in a highly competitive industry marketing a consumer product. The author concludes that the way a company manages its advertising may be a reliable clue to the caliber of the top management of that company; and if this is true, the company which can be observed to rely upon objectivity in advertising decision-making is probably a better investment risk than its competitor which does not.

Martinez, Thomas M. "How Advertisers Promote Racism." November 18, 1971. (This paper has been reprinted in El Grito and in the Civil Rights Digest.)

Thomas Martinez explains and defends his belief that some TV commercials and magazine advertisements symbolically reaffirm the inferior social status of Mexicans and Mexican Americans in the eyes of the audience. He feels that advertising media that utilize Mexicans and Mexican Americans selectively present and exaggerate racial and cultural characteristics. He places a large share of the blame on the corporations who are advertising and allowing racial prejudices and stereotypes to be used in product promotion. He discusses specific examples of ads, and company responses to letters describing particular commercials as offensive.

Mason, Jarvis Woolverton. "The Communications Effect of an Industrial Advertising Campaign." Journal of Advertising Research, Vol. 9, No. 1, pp. 35-37.

In this study, Anaconda American Brass Company wanted to learn, from four buying-influence groups, opinions regarding qualities and characteristics of brass companies, and particularly Anaconda, and the extent to which a 3-year advertising campaign had affected the attitudes of these groups. Each of these buying-influence groups was represented by readers of trade magazines in which the Anaconda advertising had appeared. The advertising also appeared in major competitor magazines. Questionnaires were mailed to a random sample of the magazine subscribers, and 909 responses were received. According to the author, this study gives very strong evidence of the communications effectiveness of a particular advertising campaign, showing that buying influence groups who read a manufacturer's ad rated the company higher than did non-readers of the ad.

Matthews, Len. Testimony (T955-963 and T968-994).

Mr. Matthews spoke as part of Prof. Bauer's panel. His opening remarks included the following: Bauer-Greyser model (T955-956), determination of value (T957-959), marketing research function (T959-962), and solutions to advertising problems (T962-963). In a panel discussion Mr. Matthews spoke on the following subjects: information in ads (T974) and quality of products (T986).

Mayans, Frank. Written Submission.

States that local retail advertising is essentially communication of information. Points out that local advertising generates economies of size and volume which make it possible to accumulate in one location a volume and variety of merchandise at the time and price that suits the customer best.

Mayans, Frank. Testimony (T167-181).

See written submission.

McConnell, J. Douglas. "Do Media Vary in Effectiveness." Journal of Advertising Research, Vol. 10, No. 5 (October 1970) pp. 19-22.

This study was designed to examine learning resulting from exposure to television, radio, and newspaper advertising messages, on the premise that unless potential consumers learn of the existence of a product and what it can do for them, the prospects for successful market penetration are low. The study was undertaken in Australia using U.S. commercials for products not available there. Forty-five college level students participated in the laboratory experiment conducted over a period of ten weeks. The authors conclude that the study demonstrates the need for repetition if product knowledge is the purpose of a campaign, and reveals a relationship between products and media that suggest a need for further study.

McFall, John. "Priority Patterns and Consumer Behavior." Journal of Marketing, Vol. 33 (October 1969), pp. 50-55.

Products acquired by consumers over life-cycle periods can be grouped into clusters in accordance with set criteria. This article shows how marketing strategy can be made more effective by adopting a cluster approach to product sets. A technique is outlined for defining the characteristic sets of consumer durables and the consumer priority patterns related to their acquisition.

Media Decisions. "Media Habits of 32 Million Working Women." Media Decisions, Vol. 6, No. 1 (January 1971).

The woman who keeps house and also holds a job has her own media usage patterns. Her life style is different. She has more money to spend. She is a unique target for marketing and media. She devotes far more time to print media than her stay-at-home counterpart. The article gives vital statistics on the 32 million homemakers who work.

Meeter, Janie A. Undated, untitled, unpublished paper.

Ms. Meeter deals with the subject of nutrition and how advertising concerning it can actually affect the health of a population. Using a particular ad as an example, she shows how an individual may attain a false sense of security as to his nutritional health because of lack of knowledge about updated nutritional findings. She states that all her examples taken together illustrate two conditions operating to mislead the consumer and keep him uninformed. a) Without care in labeling requirements resulting advertising can mislead and misinform. b) A standard of identity in which all ingredients do not have to be listed on the label is an insult to consumers who desire to be informed. The following articles are included in the Appendix: 1) Recommended Daily Allowance Table, 1968, 7th edition. 2) Quotation excerpts from article by Dr. Grace Goldsmith, M.D., in Nutrition Today, Dec. 1968 from FDA Hearing Testimony -FDC-78. 3) Excerpts from the Testimony of various expert witnesses, FDA Hearing on Foods for Special Dietary Uses, FDC-78, concerning nutrient inadequacy. 4) Letter from Tore J. Mita, Public Health Nutritionist, Field Health Program, HEW, Published in American Journal of Clinical Nutrition, Sept. 1969, Vol. 2, No. 9. 5) Carroll M. Leevy et al, "Incidence and Significance of Hypovitaminemia in a Randomly Selected Municipal Hospital Population," The American Journal of Clinical Nutrition, Vol 17, July-Dec. 1965. 6) Excerpt from Testimony, Robert S. Harris, Ph.D., FDA Hearing, FDC-78. 7) "Perspective on Vitamin E.," American Journal of Clinical Nutrition, Vol. 19, July-Dec. 1966. 8) "Annotated Bibliography of Vitamin E.," 1958-1960. Compiled by David C. Herting et al. 9) Lederberg, Joshua. "Chromium, Other Elements Seen Crucial in Human Diets," Washington D.C. Post, April 12, 1969. 10) Randal, Judith, "Thyamine Additives Criticized," Washington Evening Star, April 18, 1970. 11) Group of miscellaneous clippings from newspapers showing consumers wish to be informed on all ingredients. 12) Excerpt from Testimony of Robert Perloff, Ph.D., Professor of Psychology, Purdue University, FDA Hearing FDC-78. The following are included as Exhibits: 1) Portions of two Giant Food Advertisements; 2) Ice Cream leaflet - Safeway Stores; 3)McCarthy, Coleman, "Is Washington's ice cream heavenly anymore?" Washington, D.C. Post, August 22, 1971.

Meeter, Janie A. Letter to Nancy Buc of the Federal Trade Commission. October 15, 1971.

As a consumer, Ms. Meeter writes to Nancy Buc, Attorney Advisor to the Chairman of the Federal Trade Commission, expressing concern over the methods and data used as backup for scientifically based statements in the associated advertising and literature growing out of the experimental labeling program. She lists eleven specific examples of how the consumer might be misled.

Menninger Perspective, "The Drug Culture: Understanding Its People." Menninger Perspective. October/November 1971.

Summarizes an assessment study of 250 persons who were deeply involved in the Haight-Ashbury drug subculture in San Francisco, Calif. The four-year study has revealed important ideas about the Haight-Ashbury community by allowing the study staff to observe differences between the"original hippies" and those who came to the neighborhood in later years. The characteristics of drug users are discussed in terms of similarities and differences over the four years, and it is concluded that psychologically in terms of background, ideology and values, the members are virtually identical over the time span.

Miller, Donald B. Written Submission.

Says that the responsibility of advertising agencies, manufacturers and television networks and stations increase substantially for children's advertising. Uses four commercials conceived by his agency to show how you can make the product fun and interesting without exaggerating its benefits or misleading the child. States that his overall impression of the TV commercial side of children's television is that it has come a very long way in the last few years.

Miller, Donald B. Testimony (T1413-1443).

Mr. Miller presented his prepared statement, followed by questions from the Commissioners. He discussed research tools to pre-test advertising, stating that primarily focus interviews are used (T1421) and that through these tests they learn whether or not they are misrepresenting (T1422). Some commercials are tested after they have been developed, through audience surveys and index surveys (T1423). The cost of this testing is summarized briefly (T1423). Mr. Miller suggests that focus group interviews are not as successful with children (T1425). He felt that advertised toys have to be shown with dimension because children lack previous experience with the product (T1430). He stated that while attempting to be honest, advertising should retain the elements that attract attention and develop interest (T1435) but agreed that misrepresentation doesn't belong in any advertising (T1436). He stated that most advertising is handled by general agencies rather than specialized ones (T1442).

"Miscellaneous Notes and Comments Pertaining to Testing Among Children," Undated, Unpublished, Unauthored.

A brief outline relating to testing children regarding television advertising, describing a scope of testing and naming four areas of research.

Mitchel, F. Kent. Letter to Robert Choate. October 14, 1971.

Kent Mitchel, vice president of Corporate Marketing Services, General Foods Corporation, responds to a letter from Robert Choate of the Council on Children, Media, and Advertising, stating that their policies are internal documents for the guidance of the organization and are not available to the public.

Mohler, H.S. Letter to Robert Choate. November 5, 1971.

H. S. Mohler, president of Hershey Foods Corporation, responds to a letter from Robert Choate of the Council on Children, Media, and Advertising, and includes a one-page statement of Hershey's Advertising Policy which briefly outlines the company's philosophy for all advertising undertaken.

Montgomery, David B. and J. Scott Armstrong. "Brand Trial After a Change in Promotion Credibility." Marketing Science Institute Working Paper. March 1970.

This study examines certain characteristics of households which responded to a significant change in the credibility of the appeals made on behalf of a brand. The empirical situation was that of the legitimation of Crest's claim of decay prevention by the American Dental Association. A prior model was specified which indicated how certain behavioral variables should affect trial of Crest subsequent to the A.D.A. endorsement. The model received modest support from a variety of different analyses and for two independent samples. The fact that several analyses over two independent samples yielded a substantial amount of agreement strengthens the case for the prior model.

Morrison, Bruce John. "Summary of Paper to be Presented to Ad Age's 1971 Creative Workshop."

A series of five studies was done to investigate the effects of sex in advertising, and each study is briefly summarized in this paper. From the studies come four suggestions for the use of sex in advertising: 1) The characteristics of the ad which make up sexual arousal differ for males and females and for various subgroups of each. To manipulate sexual arousal effectively, one should match the ad characteristics to the target group. 2) Sexy ads should not be used where time is severely limited, as in 10-second spots on TV. 3) In magazines, a moderate degree of sex (human interest level) results in the maximum time spent looking and product memory. 4) High sex ads effectively block thinking and may therefore be useful when the receiver may have reason to generate counter arguments to the message being presented.

Morrison, Bruce John. Written Submission.

Comments on the nature of advertising research. (Not too impressed with advertising research or its practitioners.) Answers questions concerning: 1) the effect of repetition in advertising; 2) the role of a celebrity or the source in an advertising message; and 3) whether or not recall is a good index on how effective an ad is.

Morrison, Bruce John. Testimony. (T1189-1239)

Professor Morrison covered the following topics in a formal presentation on Sex in Advertising: Major Steadman's Experiment (T1190-1191), definition of "sexy" (T1191-1193), groupings of male and female according to sexual arousal (T1194-1195), sex and recall (T1196-1202) and suggestions for sex in advertising (T1203-1206). The rest of his formal presentation followed the format of his written submission. The following topics were covered in the discussion that followed: effectiveness of advertising (T1221-1223), use of distraction to change attitudes (T1224-1226), "best" ad strategy (T1228-1229), identification (T1230), drug advertisements (T1231-1234) and market research (T1235-1238).

Murley, James E. Letter to Commissioner Dixon. November 12, 1971.

Mr. Murley explains his views on the failure of the media to put an effective brake on drug abuse. He feels that the advertising of proprietary drugs has played no major role in the evolution of the drug problem, but that advertising took a moral stand on the drug issue at a time when factual information would have been more pertinent.

Murphy, Joseph R. "Responses to Parts of TV Commercials," Journal of Advertising Research, Vol. 2 , Number 2 (April 1971), pp. 34-38.

The development of methods capable of discerning what parts of a commercial are working for or against a given response to that commercial was the goal of this research. The research program was a two-staged laboratory experiment. In Experiment I, using a forced-exposure method, a copy technique was established to measure independent responses to television commercials. Then, in Experiment II, the feasibility of relating these independent measures of commercial impact to viewing of particular commercial segments was explored. The research suggests that it is not only possible to measure independent attitudinal responses to commercials with freely motivated viewing, but also that the effects of commercial segments upon resultant attitudes can be studied.

Myers, John G. "Social Issues in Advertising," Chapter 1 of The Social Role of Advertising, reproduced under special arrangements with the A.A.A.A. Educational Foundation, Inc.

This is a preliminary publication of the first chapter draft of a book tentatively titled The Social Role of Advertising. The chapter presents a review of classical and current social issues in advertising as they appear in a variety of literature sources. It begins with a discussion of the controversial nature of the subject of advertising. The broad scope of the social aspects is conveyed by recourse to an identification of the range of perspectives used to discuss its role in society. Specific attention is then given to a series of economic perspectives. The theme of this chapter is that present advertising research concentrates heavily on an elaborated understanding of a narrow and short-run definition of "social effects" rather than a broad, long-run definition, and offers a proposal for change.

National Association of Broadcasters. "Roper Finds Three Out of Four Parents Approve Concept of Having Commercials on Children's Television Programs," from Television Information Office of the National Association of Broadcasters. New York (April 14, 1971).

News release covering Roper survey. See next reference.

National Association of Broadcasters. "An Extended View of Public Attitudes Toward Television and Other Mass Media, 1959-1971," from Television Information Office of the National Association of Broadcasters. New York (June, 1971).

In a study of public attitudes toward mass media, 1993 adults gave opinions on media, television programs and commercials. In particular, 74% of respondents approved of sponsorship support of children's television programs.

National Citizens Committee for Broadcasting. "A Petition on Children, Television and the Public Interest to the Federal Communications Committee," undated.

A petition listing seven points for consideration regarding children and television, to be submitted by concerned citizens.

National Organization for Women. "Selling Women Short." Chicago, Illinois. undated.

Summarizes the kinds of advertising which women find offensive and offers some thoughts on alternative appeals. The organization feels that the mass media portrays women as incompetents and decorative objects and has helped to perpetuate the out-date notions which form the basis of discrimination. Attached is a copy of the N.O.W. TV Monitoring Form.

National Organization for Women (N.O.W.). "A Dialogue with Women." Conference with N. Y. Advertising Agencies and other Women's Organizations. January 15, 1971.

Transcript of a conference between N. Y. advertising agencies and National Organization for Women to discuss the role of women as portrayed by advertising. Among topics discussed by speakers are: consumer advertising and its effect on self image, the negative way women are presented in television and magazine advertisements, the effect of advertising on the psyche, advertising for children and its use of sex roles, and an 8-point positive program to improve the image of women in advertising. N.O.W.'s Media Monitoring Project is described and the conference is ended with an open discussion.

Neff, Jeanette. Written Submission.

Describes the marketing to children of records, toy products, and publishing by the producers of "Sesame Street" and "The Electric Company." Discusses the marketing guidelines established for the advertising, packaging and promotion of "Sesame Street" educational products.

Neff, Jeanette. Testimony. (T1690-1700)

Following presentation of her prepared statement, Mrs. Neff answered questions from the Commissioners, and discussed the inability of very young children to make decisions about advertising appeals (T1696-1698).

Nelson, Alan R. "The Life-Style Phenomenon Invades Advertising," Marketing Review, Volume XXVI, Number 9, (May 1971).

A new form of consumer science called "psychography", replacing conventional demographic characteristics, is examined in detail.

Nelson, Robin. "How Pan Am Revamped Its Marketing Thrust," Marketing/Communications, July 1971, pp. 18-22.

Pan American World Airways lost nearly $48 million in 1970, partly attributed to the staggering start-up costs of 747 operations, including its promotion. Facing budget cutbacks in advertising, Pan Am had to consider revitalizing their advertised image. A shift advertising was created to place more emphasis on consumer-oriented "doodads." Five separate campaigns were created to aim at specific marketing problems, and are discussed.

Nevin, John. Testimony. (T811-822 and T830-857)

Mr. Nevin presented a case study which described how Zenith Radio Corporation "applied some principles that affect the use of advertising in a total advertising mix" (T811-821). In a round table discussion with Mr. Buzzell and Mr. Townley, Mr. Nevin commented on the following points: co-op advertising (T834-839), advertising to differentiate products (T842-843), advertising intensity (T843-844), and the automobile market as a mature market (T851-856).

O'Connor, Richard. Written Submission.

Refer to Kirk Beauregard's Written Submission.

O'Connor, Richard. Testimony. (T1160-1172)

See Testimony of Mr. Kirk Beauregard.

Oshikawa, Sadaomi. "Learning and Behavior Without Awareness: Their Implications to Consumer Behavior and Sovereignty," California Management Review, Vol. XII, No. 4 (Summer 1970), pp. 61-69.

In a review of literature, the issue discussed is whether the consumer buys a particular product because he has been unconsciously persuaded (with or without the use of subliminal advertising), or because he has consciously decided to accept the merits of the seller's persuasive message. A brief review of different theories of learning precedes the analysis of experimental findings and methodological problems on consumer learning and behavior without awareness. A brief review of psychological theories and experimental findings suggests the possibility that an individual learns and behaves without awareness if awareness is defined in terms of verbal report.

The author concludes that research on consumer learning and behavior without awareness is needed to shed light on the extent that a purchase decision is influenced unconsciously, by forgotten persuasive attempts, and by rational calculation of utilities and prices.

O'Toole, John E. Testimony. (T936-941 and T968-994)

Mr. O'Toole covered the following points in a short presentation as a member of Prof. Bauer's panel: awareness and advertising (T938) and the role of advertising in offering alternatives to the consumer (T939). Mr. O'Toole commented on the following in a panel discussion: naming competitors (T977) and unfavorable information in ads (T979).

Overholser, Charles E. Written Submission.

Explains how consumer research is the basis on which advertising strategy is created. Distills the complex process of planning advertising strategy into a logical structure. Sets three basic steps for shaping strategy: product class definition, prospect group selection, message element selection. Concludes that job of consumer research is to help client understand consumer value systems and how consumers perceive the advertised brand.

Overholser, Charles E. Testimony. (T273-308)

Mr. Overholser curtailed his prepared remarks to permit more time for discussion. In response to questions he covered techniques and developments in marketing research (T290-292), the role of agency, client and independent research firms in the research process (T293), sex in advertising (T294), relationship of advertising appeals to the product (T294-296), use of celebrities (T296-299), materiality of advertising appeals (T301-303), use of metaphor (T303-304), and self concept appeals (T304-308).

Perlmutter, Milton. Written Submission.

Discusses role of advertising on behalf of food retailer; makes point that purpose of advertising is to help merchandise turnover, promote "features," and create channels of communication with employees and customers. Cites studies of consumer attitudes toward retail food advertising, indicating high readership and use. Concludes that advertising is an essential link in his company's communications with its customers.

Perlmutter, Milton. Testimony. (T182-198)

Mr. Perlmutter presented his prepared remarks and subsequently responded to Commission's questions on the limitations of the cash register as a measure of consumer response (T195-196) and procedures for adopting new products (T197-198).

Perloff, Robert. Group Interviews with Poor Children in Pittsburgh: A Pilot Study for Inferring Preliminary Behavioral Dimensions Characterising the Attitudes of Poor Children Toward Television Commercials. unpublished paper, December 1970.

This is the proposal for a study using group interviews with six to nine year old (predominantly poor) children, attempting to provide a climate for these children to discuss, among themselves, their attitudes toward, and the effects upon their lives of, television commercials. Details of how the study should be conducted are presented, including selection of groups of children, role of interviewers, and budget needed.

Pierce, Frederick S. Summary Report of Workshop Roundtable Discussions before the Children's Programming Workshop sponsored by the ABC Television Network. July 24, 1971. New York City.

Frederick Pierce, Vice President in Charge of Planning and Assistant to the President of the ABC Television Network, sampled points, recommendations and suggestions made at the workshop, listing several from each of the four areas of discussion.

"Pillsbury's"

A statement of Pillsbury's policies regarding advertising, labeling, and their procedure for contacts with certain regulatory agencies of government.

Portis, Bernard. "Psychological Concepts for Consumer Research," Journal of Advertising Research, Vol. 6 , No. 3 (Sept. 1966), pp. 31-36.

According to the author, the usefulness of much consumer research is impaired by lack of an adequate conceptual scheme to integrate its findings, and such research may soon cease to be understandable, and useable, if it is allowed to proliferate further without some integration and simplification. The paper uses concepts from the behavioral sciences so as to bring together some of the more recent research and theories of consumer behavior to help discover why people behave as they do. A scheme (figure) is developed to summarize the research cited, organize current studies of consumer purchasing, and highlight the main findings and concepts in consumer research.

Powell, R. J. Television Viewing by Secondary Students. Australian Broadcasting Control Board, 1971.

This report is of a pilot and main study, resulting from an attempt to relate the structuring of viewing to the personality of the individual child within both the peer group and the family setting. The aim was to develop and evaluate indices of viewing and to relate these to the characteristics of the individual. The pilot study was of two hundred students and extended to include thirteen hundred-fifty students in the main study, all about thirteen years of age. Basic material gathered was detailed viewing records for three consecutive weeknights, with analysis of the data performed at several levels.

Preston, Ivan L. "Logic and Illogic in the Advertising Process," Journalism Quarterly, Vol. 44, No. 2, (Summer 1967), pp. 231-239.

Ninety college subjects examined advertisements from Life and were asked whether statements on an accompanying sheet were accurate or inaccurate re-statements of the content of the ads. One of the five statements for each ad was illogically derived from the content, and the study's purpose was to examine the extent to which subjects agreed that it was an accurate re-statement This agreement occurred 65.3% of the time. The original premise was that such response is due to illogical thinking processes by subjects. However, additional evidence suggested that some of the "illogical" response might have occurred because people approach ads with a set to perceive them as saying what the advertiser would have liked most to say. Occurrence of the observed behavior has business implications: advertisers might use it to increase effectiveness of ads. It also has ethical implications involving the question of responsibility.

Preston, Ivan L. "Theories of Behavior and the Concept of Rationality in Advertising," The Journal of Communication, Vol. XVII, No. 3, (September, 1967), pp. 211-222.

The author discusses the "added-value theory," which deals with perceived changes rather than material changes in the perception of a product, within the context of learning theory. Stating that people perceive an advertised product as they do (1) because of the sign-relevant things it signifies, (2) because of the arbitrary external things it signifies, or (3) because of the arbitrary internal things it signifies, the author describes each as a theory of advertising behavior. The author argues that persons who respond to a product irrationally in the view of an observer may really be responding quite rationally with respect to their own knowledge of their own goals, and concludes that much advertising behavior may be rational.

Preston, Ivan L. "Relationships Among Emotional, Intellectual and Rational Appeals in Advertising," Speech Monographs, Volume XXXV, No. 4 (November 1968).

The hypothesis of this study was that "arbitrary" ads (associations created by the advertising) would be rated high on irrational and low on rational appeal, and that the reverse would be true for "sign-relevant" ads (appeal uses a characteristic naturally connected with the product). The study was restricted to ads appearing in Life magazine. Each of fifty-two subjects, responding to questionnaires, were asked to scale 12 ads according to the amount of emotional, intellectual, rational, and irrational appeal they felt each had, using their own definitions for the terms, and to identify the characteristics that prompted their decisions. The study showed that an excellent prediction can be made concerning subjects' perceptions of relative rational and irrational appeal by determining in advance whether the appeal is based on arbitrary, sign-relevant, or other significates.

Preston, Ivan L. "Observations on the Consumer's Use of the Mass Media," The Journal of Consumer Affairs, Vol. 3, No. 1, (Summer 1969).

This article comments on the consumer education movement's apparent evaluation of the performance of the mass media in supplying reliable and adequate consumer information. The author's viewpoint is that the consumer movement may be criticizing mass communication a bit too much, and argues that advertising is basically good, as well as essential, for our society. He elaborates by discussing various models of the mass communication process, and feels that the consumer movement is supporting an out-of-date model. He makes some suggestion of positive steps that the consumer movement might take in using and interpreting a "flawed" medium of communication.

Preston, Ivan L. "A Reinterpretation of the Meaning of Involvement in Krugman's Models of Advertising Communication," Journalism Quarterly, Vol. 47, No. 2 (Summer 1970), pp. 287-95; 323.

This article presents data and theoretical propositions intended to support and expand the high and low involvement models of advertising response specified by Herbert E. Krugman, which is reviewed. A study was done to examine the supposition that TV ads deal more with relatively undifferentiated brands of goods, while magazines deal more with relatively differentiated brands. Ads from TV and magazines were examined and coded into three categories according to ease of differentiation within their product category and substitutability for each other. Data was collected from three commercial TV stations monitored for one weekday, and magazine ads from one issue of each of 24 high-circulation national magazines. According to the author, the findings that brands advertised on TV are relatively more difficult to differentiate than those advertised in magazines suggests that the degree of consumer involvement is less for TV than for magazines.

Preston, Ivan L. and Lawrence Bowen. "Perceiving Advertisements as Emotional, Rational, and Irrational," Journalism Quarterly, Vol. 48, No. 1 (Spring 1971), pp. 73-84.

This study tested the ability of two theoretical formulations (Preston and Bauer & Cox) to predict readers' perceptions of the "emotionality" and "rationality-irrationality" of advertisements. 48 ads from Life magazine were classified by the authors as "primarily arbitrary" or "primarily inherent" according to criteria described previously in the article. 68 college students first rated a list of 35 products on three scales indicating the degree of emotional, rational, and irrational appeal in each. The terms were not defined for the participants. The subjects were then given 12 ads and asked to follow a similar procedure, and then were asked to identify the characteristics which prompted their decision. Finally, a brief questionnaire was completed. The data, analyzed in depth, confirm that designations of rationality and emotionality may be used as predictors of various advertising efforts.

Preston, Ivan L. and Steven E. Scharbach. "Advertising: More Than Meets the Eye?," Journal of Advertising Research, Vol. 11, No. 3 (June 1971), pp. 19-24.

One hundred and five students were the subjects in a laboratory experiment to test people's comparative tendencies to accept "logically invalid" statements after reading messages prepared variously in the forms of advertisements, newspaper stories, business memoranda, and personal letters. It was found that apparently illogical behavior observed in an experimental situation occurred more in response to advertising than in response to other communication forms. This difference may be due to sensible expectations which people make about the content of ads - they tend to see the ad actually making statements when it does not literally do so, because they know what the ad would like to say.

Printer's Ink. "The $000 Billion Question: What Makes Her Buy?," Printer's Ink, October 18, 1957, pp. 35-40.

Discusses the topic of motivational research, the study of why people buy what they buy, and begins by presenting several specific examples of what has been accomplished with this research. Two schools of motivational research are described: one emphasizing the rationality that people use to solve buying problems, the other emphasizing subconscious influences. The cost of motivation research projects is discussed. Concludes with seven steps to follow in applying motivational research to "your" problems.

Quaker Oats Company. "Nutrition Policy Statement," undated.

This nutritional policy consists of eight parts. Specific details of four parts dealing with the nutritional context of foods, labeling, advertising and promotion, and nutrition education are provided in appendices. Four parts dealing with food product initiation and review procedures, organization for special projects, internal education programs, and industry, government, and consumers are merely summarized in brief.

Ramond, Charles K. "Must Advertising Communicate to Sell?," Harvard Business Review, Sept.-Oct. 1965, pp. 148-159.

According to Ramond, knowledge of the advertising message is only sometimes a reflector of sales power, and even changed awareness of the brand may not be a necessary condition for an increase in sales. Citing cases to look at communication in advertising, the author draws three conclusions: (1) As measures of marketing effectiveness, sales and communication together are preferable to either separately, because one does not always reflect the other. (2) To determine the contribution of any marketing force to either sales or communication, the experimental method is most likely to provide an unambiguous result, because it eliminates most of the inevitable explanations of naturally observed relationships. (3) To design a conclusive marketing experiment requires a thorough knowledge of the specific situation and the ability to control, observe, or even foresee enough of the possible causes of the effect under study to permit observation of the undiluted influence of some of them. The author points out that, while there are no easy ways to evaluate the profitability of advertising and marketing expenditures, experimentation is recommended because, in many cases, it is the only way to get whatever unambiguous measures may be possible.

Ray, Michael L., Harper W. Boyd, Jr., Edward C. Strong. "An Attitudinal Framework for Advertising Strategy," June, 1971, unpublished research paper, Stanford University Graduate School of Business.

The paper takes a notion of consumer brand choice from the model developed by Amstutz and extends it to various levels of demand factors. The resulting framework serves as a useful tool for advertising decision-makers in arriving at a comprehensive strategy of attitudinal change. It is suggested that, basically, six alternatives are available to the decision-maker. The nature of each of these is discussed with relation to the allocation of advertising resources.

Reid, John. "Letter to the Director of the Bureau of Consumer Protection," September 22, 1971.

Because of unfortunate dealings with the Allstate Insurance Company, Mr. Reid expresses his view that the Allstate advertising claims should be investigated and fraudulent claims publicly retracted. Attached is a copy of a letter to the president of Allstate, describing Mr. Reid's transactions with the company and its representatives after an accident involving property damage. Also attached is a page of xeroxed excerpts from articles criticizing insurance companies and their policies.

Reinecke, John A. "The 'Older' Market - Fact or Fiction?", Journal of Marketing, Vol. 28 (January, 1964), pp. 60-64.

Figures on income and expenditure provide clues to the significance of the "over-65" market to American firms. They are of special interest to marketing executives who are contemplating "senior citizens" as a market target. The author concludes that the bulk of the "older market" will remain for some time to come primarily a market for staples. Even those older consumers with comfortable incomes will not deserve attention as a distinct market segment for most product classes.

Rendon, Armando and Domingo Nick Reyes. "Chicanos and the Mass Media," (A Brown Position Paper), June 29, 1970.

Mexican Americans feel that the usual portrayal of their cultural group must be changed to show them as equal and capable Americans. According to the authors, Mexican Americans do not have access to the most powerful modes of influencing thought, opinion, and understanding of their presence in the U.S. The Chicano consumer is described...a market of 10 to 12 million persons exist to which few advertisers address themselves. The authors describe the varied problems faced by Spanish-speaking Americans, including discrimination and racial prejudice, and the lack of honest media portrayal. Suggestions are made by the authors for the development of "Chicano media" which means Mexican American ownership and management. Chicanos are concerned with two major media of communication: first, the means by which Chicanos convey ideas and opinion to and among themselves, and second, how Chicanos express the motivation and thought behind their movement to other peoples in society. The bulk of the article focuses on the needs of Chicanos for a satisfactory participation in and treatment by the media, with suggestions as to how this goal might be accomplished.

Reyes, Domingo Nick. Written Submission.

Mr. Reyes, Executive Director of the National Mexican American Anti-Defamation Committee, Inc., states his concern with the effect of media on American public opinion and attitudes, particularly with regard to the image of the Mexican Americans, and feels that a more positive approach to minority groups should be taken by the communications media. Discussing stereotypes, he states that if the caricature is negative, the effect is damaging from the viewpoint of the minority group and also in fostering attitudes in members of majority groups. He concludes with ten recommendations for consideration by the Federal Trade Commission.

Reyes, Domingo Nick. Testimony (T1822-1842).

Following his prepared statements, Mr. Reyes presented exhibits consisting of several advertisements, a cover from a restaurant menu, a Kellogg's cereal box, a Libby's Sundown Dinner, a reprint from Newsweek magazine (that showed positive aspects about the American Indian), and others as examples of how minority groups are used in advertising (T1829-1837). After this, Mr. Reyes answered questions from the Commissioners. Topics included legislation toward fair advertising practices (T1837-1838), the Baja concept in advertising (T1838-1839), and the Chiquita banana as an advertising gimmick (1839-1840).

Sales Management, "The Senior Market," October 20, 1961, pp. 35-39, 108, 110-111.

The $32-billion dollar senior market is growing in size, affluence and approachability. This article gives the facts about this market of 17 million persons, and some of the rare sales opportunities it is offering.

Sarson, Evelyn. Statement of the President of Action for Children's Television, Inc., before the Subcommittee on Activities of Regulatory Agencies of the Select Committee on Small Business. U.S. House of Representatives (June 14, 1971).

ACT contends that to a young child all advertising is deceptive and attempts to defraud him because he is unaware of the system which demands such advertising. Here, the parent cannot protect the child from the salesman. On this ground, ACT urges eliminating all advertising on children's television shows, realistic regulations and limitations on all advertising during day-time hours when many children are watching, and strengthening the Federal Communications Commission to enable it to enforce such regulation.

Sarson, Evelyn. (Written submission entitled: ACTION FOR CHILDREN"S TELEVISION, INC.)

States that before the advent of television, it was almost impossible for an advertiser or a salesman to reach a young child without first encountering a protective adult. States, further, that, historically, children have received special protection from society. Indicates that the television industry in the U.S.A. considers children as just another market. Believes that the purpose of children's advertising is to use the child as a surrogate salesman to pressure the parent into buying the product. Discusses advertising directed to children for each of the following three categories: food (including cereal, candy, and snack foods); toys; vitamins.

Sarson, Evelyn. Testimony (T1474-1505).

Mrs. Sarson presented her prepared statement. Concluding her statement, she related the story of a small boy who nearly died after eating 40 iron-fortified iron pills (T1488-1489). A statement from a phone conversation with the mother is read (T1490). Mrs. Sarson urged the Ftc to stop advertising vitamins to children (T1490). In answering questions from the Commissioners, she stated that children cannot make consumer judgments, so they don't need the fantasy of TV advertising (T1491-1493). She felt that parents should be in strict control of what their children watch on television (T1496), but that commercials during children's advertising should still be eliminated (T1498), and that eliminating advertising will encourage diversified children's programming (T1499). The influence of TV advertising in low-income homes is described (T1502).

Scanlon, T. Joseph. "Color Television: New Language?," Journalism Quarterly, Summer 1967, pp. 225-230.

The findings of this experiment, while tentative, suggest that color television may be a new medium of communication. Twenty-one students comprised two groups, one which watch TV coverage on black and white TV, the other on color TV. The results indicate that color changes the emotional impact of television; that color alters the importance of the spoken word, and that color makes viewers more participants and less observers.

Schmidt, David C. and Ivan L. Preston. "How NAACP Leaders View Integrated Advertising," Journal of Advertising Research, Vol. 9, No. 3 (September 1969), pp. 13-16.

For this study, questions about integrated advertising were posed to key members of the NAACP. The study concludes that advertising is considered valuable to the Negro cause, but suggests that there may be an important difference between the definition of "integrated advertising" used in the study and that understood by NAACP officials. The latter's conception of integration in advertising may well have social interaction at its core, rather than the mere appearance of a Negro in an ad not aimed specifically to a Negro audience.

Schwartz, Phillip. Written submission.

Reviews policies and techniques used by advertisers to "clear" advertising. Outlines acceptance procedures of media, including TV. Also covers unique problems of endorsements and testimonials. Shows examples of pre-production report and television commercial technique clearance form.

Schwartz, Philip. Testimony (T530-578).

See written submission for details of first part of presentation. Mr. Schwartz and the Commissioners discussed the following topics: access to substantiation studies by law firms (T548); legal clearance by FTC (T549-552); standards in judging legality of an ad (T553); ratio of attorneys to accounts (T556-559); time lapse ads (T560-561) fantasy in advertising (T561-562), props in advertising (T562-564); predicting how an audience will perceive an ad (T565-568), ability of product to satisfy consumers (T568-572); judging decency of ads (T572-577); and size of staff of NAB (T577).

Scott, Maureen. Testimony (T1086-1099)

Mrs. Scott commented on the following topics in her discussion with the Commissioners: realistic casting (T1087); instructions for casting (T1087-1088); function of characters (T1088-1090); identifying with character (T1090-1091); reasons for casting of actors (T1091); actors ad-libbing in commercials (T1093); character and confidence (T1095-1096); taste control (T1096-1097); example of casting (T1097); and voice commercials (T1098-1099).

Seaman, Alfred J. Written submission.

Discusses the use of language in advertising as an art, not a science. Stresses the difficulty in trying not to be misunderstood, hoping always to communicate a thought. Rests his case on three points: worldly goods are a high priority item to people, prosperity is the product of business, advertising is the sparkplug and lubricant of the economic machinery. Admits that there are "weasel words," "uncompleted comparatives" and bad taste in advertising, but says that good advertising people oppose them as much as our critics. Concludes that the mission of advertising is to sell, with color and imagination in language that the consumer understands, and asks the FTC not to inflict regulations which "smother enterprise and excellence."

Seaman, Alfred J. Testimony (T388-432)

After delivering his prepared speech, Mr. Seaman commented on the following topics: implications of safety warnings for effectiveness of ads (T405-407); placement of instructions on packaging (T407-414); safety warnings in TV ads (T415-416); incomplete comparatives (T421-424); coining new words (T425); falsifying pictures for TV (T426-428) and the psychic and emotional impact of advertising (T428-432).

Seligman, Arron. "Illogical Appeals in Advertising," unpublished, undated paper, received by the Bureau of Consumer Protection, June 28, 1971.

In summarizing the results of a unit taught by Seligman in logic, this article presents some examples of misleading advertisements and the conclusions which many people draw when confronted with clever and misleading advertising. An advertisement is considered misleading when it made a claim which was likely to lead the consumer to draw favorable conclusions in regard to the product, though there was no evidence in the ad to warrant this, when the claims were actually meaningless, or unsubstantiated, or when statistics were used to mislead the consumer to react favorably to a product. He concludes by suggesting that companies be contacted to substantiate their claims, and that deliberately misleading advertising be reported to, and acted on, by the Federal Trade Commission.

Sharp, William. Written submission.

Defines the constituency of the Office of Economic Opportunity. Explains the O.E.O.'s special concern for television and radio broadcasting. Describes why the electronic media have special impact on poor and disadvantaged people. Describes why advertising has a special impact on the poor and disadvantaged. Indicates how advertising and the advertising media could better serve the poor and disadvantaged. Solicits the FTC to "express in writing and in deeds those actions which will reflect support of the O.E.O. recommendation to the FCC that a new category of public service programming be adopted."

Sharp, William. Testimony (T1736-1752).

After presentation of his prepared statement, Mr. Sharp answered questions from the Commissioners. Topics discussed included the control of advertising so as not to take advantage of the poor and disadvantaged segments of the population (T1747), cable TV as a means of furnishing information to particular areas on non-discriminatory basis (T1748-1750), and quality of informational programming (T1750-1751).

Sheppard, William G. Testimony (T964-967).

In a prepared statement as part of Prof. Bauer's panel presentation, Prof. Sheppard briefly placed advertising in perspective (T964), intimating that "the real core of market power" lay elsewhere (T965).

Skinner, Lloyd E. Written submission.

Testifies how a small manufacturer of quality food products depends on advertising to communicate his product benefits to the consumer. Shows information-packed ads, recipes and use of coupons for immediacy. Emphasizes also the important role of advertising for firms in product areas where strong regional brands are not dominated by a single manufacturer on a national basis.

Skinner, Lloyd E. Testimony (T750-762).

After the Commissioners heard Mr. Skinner's prepared address, there followed only a few questions on the specific advertising media used (T761-672).

Slocum, John W. and H. Lee Mathews. "Social Class and Income as Indicators of Consumer Credit Behavior," Journal of Marketing April, 1970, pp. 69-74.

The concept of social class as the best market segmentation variable needs to be critically re-examined. This article presents research findings from a study of commercial bank credit card holders. To test a hypothesis that installment and convenience use of credit cards would vary among social classes within an economic level, 2,032 questionnaires were received from individual cardholders randomly selected from a universe of 250,000 in a large eastern metropolitan area. The questionnaires questioned attitudes of card holders, while data concerning use of the commercial bank credit card was obtained from the participating financial institution. The findings suggest that social class position does not necessarily appear to be a more significant determinant of consumer behavior than amount of income.

Snider, Marshall A. "Statement Regarding the Impact of Advertising on Consumers," a letter to the Bureau of Consumer Protection, October 8, 1971.

The proposition of the author is that rather than promoting the merits of a particular product, mass media advertising promotes a number of life-styles and personal characteristics which, it is implicitly asserted, are desirable and even necessary to achieve. The ads then suggest either that the purchase of the particular product is absolutely necessary to the ultimate achievement of this style of life or personal characteristic, or that the consumption of the product will bring the buyer one step closer to attaining these things. The author did an informal study of television advertising, cataloging 175 commercials. He found 46 of the 175 appealed to the psyche, rather than the logic of the viewer. He then lists 10 ads which most fit his proposition concerning life-style versus product, and describes the appeal made in terms of the created image.

Sorkin, Sonja. Letter to Chairman Kirkpatrick, January 24, 1972.

In a short note accompanying a greeting card, Sonja Sorkin, president of the Central New York Chapter of the National Organization for Women, states that the Federal Trade Commission should consider the damaging psychological effects of television advertising on women.

Souers, Jerry. Written submission.

Refer to Aaron Locker's written submission.

Steadman, Major. "How Sexy Illustrations Affect Brand Recall," Journal of Advertising Research, Vol. 9, No. 1, pp. 15-19.

Sixty male graduate students took part in a 4-part laboratory experiment to test three hypotheses concerning the effect of sexual illustrations on the recall of brand names. The author found that non-sexual illustrations were more effective in producing recall of brand names than were sexual illustrations and this became more pronounced with the passage of time. The recall results from the sexual illustrations, however, did not show that the amount of erotic content in the illustration, as perceived by the individual, had any effect upon its recall effectiveness. In the relation between attitudes to the use of sex in advertising and the recall of brand names, it was found that, as a group, those holding attitudes favorable to the use of sex in advertising recalled more correct brand names than did respondents who had attitudes unfavorable to such use.

Stein, Aletha Huston. "Mass Media and Young Children's Development," prepared for the Yearbook of the National Society for the Study of Education, 1972, Feb. 17, 1971.

In this paper, direct studies of the media are integrated with those of imitative learning in order to draw conclusions and implications concerning media effects on children of pre-school and elementary school age. Among areas examined in this literature review are aggression, morality, anxiety, social knowledge, cognitive functioning, and positive interpersonal behavior.

Sternthal, Brian. "The Mass Communication Process," undated, dissertation proposal.

The proposal for a dissertation intended to develop a theoretical framework that reflects current understanding of the mass communication procedure. A review of literature from several areas will be constructed on the basis of theoretical and experimental findings. The author intends to explore the practical implications of the mass communication literature with emphasis on findings that are supportive or contradictory to current marketing practices. The aim is to build a foundation of communication knowledge that provides a point of departure for systematic research and practical application.

Stevenson, F. L. "Letter to the Editors," Fortune, August 1971.

A letter to the editors reacts to a previously published article in the magazine about Ralph Nader. He cites his wife's (Lois Stevenson) concern with misleading pet food advertising and the appeals made to various sources which were ineffective in producing a change in a misleading claim by the Allen Products Co. about its dog food. He feels that, presently, the antidote for non-ethics is Ralph Nader.

Stevenson, Harold W. "Television and the Behavior of Preschool Children," University of Minnesota, unpublished, undated paper.

The author first describes research methods used when evaluating the effects of television on children's behavior. He then discusses children and television, drawing from data presently available. Topics include the extent of viewing, content of children's programs, why children watch, what they remember, and parental attitudes. The show Sesame Street is examined in detail. The characteristics of the preschool child are described. The article concludes with possible areas of research regarding the preschool child and television viewing.

Stevenson, Lois. "All-meat pet foods aren't all that good," Sunday Star-Ledger, March 21, 1971.

Mrs. Stevenson explains that contrary to a series of misleading television commercials, an all-meat diet does not satisfy the nutritional requirements of dogs. She explains the health needs of a dog, and states that cereals, carbohydrates, vitamins and minerals are as essential to a dog's diet as "all meat."

Stevenson, Lois. "Pet Care," The Courier-News, Wednesday, May 19, 1971.

In her column on the care of pets, Mrs. Stevenson responds to a reader's question about the advertising of a major pet food manufacturer which claims that an all-meat diet is best for dogs. Mrs. Stevenson explains why an all-meat diet is not nutritionally the best for animals, stating that such a diet may lead to nutritional deficiencies.

Stevenson, Lois. "Ads still claim an all-meat diet is best . . . it's not," Sunday Star-Ledger, July 25, 1971.

Mrs. Stevenson explains that earlier communication with the Federal Trade Commission regarding misleading advertising by a well-known pet food manufacturer produced no results. She cites three examples of consumers who believed the advertising claims and changed to the advertised product only to end up with sick pets.

Stevenson, Lois. Letter to Nancy Buc, November 21, 1971.

In a letter to Nancy Buc, Mrs. Lois Stevenson, a newspaper columnist specializing in the care of pet animals, expresses her desire to speak before the Federal Trade Commission during its hearings on deceptive advertising. Her concern is misleading or deceptive advertising by pet food manufacturers. Attached to the letter are the following four articles:

Stevenson, F.L., "Letter to the Editor," Fortune, August 1971

Stevenson, Lois, "Ads still claim an all-meat diet is best . . . it's not," Sunday Star-Ledger, July 25, 1971.

Stevenson, Lois, "All-meat pet foods aren't all that good," Sunday Star-Ledger, March 21, 1971.

Stevenson, Lois, "Pet Care," The Courier-News, Wednesday, May 19, 1971.

Stinger, Kenneth F. Testimony (T1916-1938).

Accompanied Hubert M. Tibbetts and Edward W. Haggarty (T1916-1931). Following the prepared statements by Mr. Tibbetts and Mr. Haggarty, Mr. Stinger commented briefly on the position taken by the National Chamber of Commerce on the Moss-McGovern bill in the Truth in Advertising bill, stating that the NCC supports the concept behind the bill.

Tannenbaum, Stanley. Testimony (1752-1766).

In his formal presentation, Mr. Tannenbaum discussed endorsement advertising. He reviewed the basic categories of endorsement advertising (T1753-1754), whether or not endorsements are misleading (T1754-1755), and why endorsements exist (T1755). Using a well-known personality as a presenter is explained as different from an endorsement (T1757-1759). Following his presentation, he answered questions from the Commissioners. Topics discussed were standards in advertising to children (T1761-1762), direct-personal selling (T1762-1763), the effect of endorsements on buyer behavior (T1763), standards used for selection of people to make endorsements (T1764-1765), and use of ethnic personalities in endorsements (T1765-1766).

Television/Radio Age. "Creative Trends Pose Challenge to Ad Testing," Television/Radio Age, Vol. VII, No. 14, February 23, 1970.

Creative techniques used in advertising are making it increasingly difficult to determine how effective a commercial will be. Evidence suggests that testing methods can be contradictory and inconsistent.

Tele-Research, Inc. Promotional Literature, undated.

Tele-Research is an advertising and marketing research technique which works in three major research categories: 1) pre-tests of TV, radio, newspaper, and magazine advertising, 2) micro-market studies of package design and package size, pricing, product names, in-store position, displays, premiums, deal offers, and other marketing influences, and 3) tests of concepts for proposed new products. In its promotional literature, the Tele-Research services are summarized, and then each is described in more detail.

Thiele, Edward M. Written Submission.

Overviews the size and scope of the advertising industry, including emphasis on how advertisers and agencies are organized and how they work together. Presents data on the relationship of advertising expenditures to gross national product, to personal consumption expenditures, and to sales in various industries and industry groups. Breaks down advertising volume by media, by national vs. local, and by agency vs. non-agency placed. Shows typical organization chart for company marketing department and advertising agency. Reviews agency structure on a department-by-department basis and discusses role of account service staff. Briefly touches on numbers of people in agencies and agency compensation.

Thiele, Edward M. Testimony. (T257-271)

After delivery of his prepared remarks, Mr. Thiele discussed agencies' employment of psychologists (T268), relative contributions of agency and client to advertising programs (T269) and creativity (T270).

Thompson, Glenn W. "Children's Acceptance of Television Advertising and the Relation of Televiewing to School Achievement," The Journal of Educational Research, Vol. LVIII, No. 4 (December 1964), pp. 171-174.

This study was designed to assess some of the learning outcomes resulting from the large number of hours that children watch television. 100 third grade children were interviewed to show how children differ in their knowledge and understanding of the commercial on their favorite programs; their acceptance of the commercial message as fact, and their desire to use the advertised product. These reactions were also related to amount of television viewing, intelligence, school achievement, and socioeconomic status. Among its conclusions, the article states that intelligence appears to have played very little role in determining acceptance and use of the advertised product, which were significantly related only to the number of hours a child watched television.

Tibbetts, Hubert M. Written Submission.

Refer to Edward W. Haggarty's Written Submission.

Tibbetts, Hubert H. Testimony. (T1916-1938)

Accompanied by Edward W. Haggarty and Kenneth F. Stinger. The written submission of Tibbetts and Haggarty was entered into the record (T1917). Following the presentation by Mr. Haggarty (T1918-1926), Mr. Tibbetts discussed the topic of government regulation of advertising (T1926), steps being taken within the business community toward self-regulation of advertising (T1927) and four recommendations for further positive action as made by the National Chamber of Commerce (T1927-1928). These were substantiation (T1928) and subjective advertising (T1928-1930), product health and information (T1930-1932), increased care in the execution of advertising to children (T1932-1933), and more vigorous self-regulation within the business community (T1933-1934). Following the prepared presentations, Mr. Tibbetts responded to questions from the Commissioners. Topics discussed included advertising as an element of salesmanship (T1935-1936) and the right to sell as part of a free enterprise system (T1937).

Tobolski, Francis P. "Direct Mail: Image, Return and Effectiveness," Journal of Advertising Research, Vol.10, No. 4 (August 1970), pp. 19-25.

A three-phased program investigating the communications effectiveness of direct mail, in general, and specific direct mail pieces was undertaken to investigate the concept of direct mail, to develop criteria for evaluation, and to investigate procedures for testing direct mail at stages prior to test mailings. The exploratory phase established some hypotheses and indicated a variety of criteria regarding consumer/recipient evaluation of direct mail. The normative phase, employing the content areas, established the relative images for direct mail as it is known and for an ideal concept, by consumer attitudes and reactions. The micro mail-out phase had the objective of determining the most efficient means to pre-test direct mail pieces and to determine to what extent measured attitudes mediate behavior. The author concludes that image profiling with semantic differential scales can be used to evaluate direct mail approaches and that this profiling also can show when a mailing piece is functioning for the recipient.

Townley, Preston. Testimony. (T822-857)

Mr. Townley addressed the Commissioners on "Rapidity of Change." He gave specific examples of the role of advertising in the marketing mix (T822-831). In a round table discussion with Mr. Buzzell and Mr. Nevin, Mr. Townley commented on advertising intensity (T845-847).

Toy Manufacturers of America, Inc., "Statement in Response to Notice of Inquiry and Notice of Proposed Rulemaking." July 2, 1971.

A statement to the Federal Communications Commission by the Toy Manufacturers of America, a trade association of domestic toy makers, in response to the FCC's Notice, comments on five general questions. The TMA expresses its views on children's programming, stating that the responsibility for program changes should not be turned over to the government. Also considered are restrictions on advertising. Toy manufacturers believe that the restrictions applied to toy television commercials are far too stringent, and that whatever limitations are demonstrated as appropriate for one class of children's products should be made equally applicable to all.

Toys and Novelties. "Screen Test for a TV Commercial," Toys and Novelties. September, 1968.

Eldon Industries' toy division pretests television comercials under scientifically controlled conditions. To test the effectiveness of the commercial being readied for the new "Billy Blastoff" toy, Audience Studies, Inc. was hired to probe the commercial and product appeal in a 4 to 5 year-old target group and a secondary group of 6 to 9 year-olds. Over 200 children were tested using in-depth interviews with the young group and two measurement systems (Instant Reaction Profile Recorder and Basal Skin Resistance Recorder). Later, 80 parents were called to see if their children, after seeing the commercial, specifically asked for this toy. Analysis of data showed that the commercial demonstrated strong potential for successfully promoting the product.

Ullrich, Helen D. Letter to Robert Choate. July 6, 1971.

Helen Ullrich, editor of the Journal of Nutrition Education, writes to Robert Choate of the Council on Children Media and Merchandising, recommending people who might be willing to testify on the impact of present-day advertising of edibles over television. She states that she was unable to find anyone who is trained in nutrition with a background of psychological testing who could confidently testify on the effects of television advertising on food habits.

United States Senate, Hearing before the Consumer Subcommittee of the Committee on Commerce, Ninety-First Congress, Second Session on S. J. Res. 200, "The Relationship Between Drug Abuse and Advertising," Serial No. 91-94, September 22, 1970.

Contains the opening statement by Frank E. Moss, chairman of the subcommittee, text of Senate Joint Resolution 200, statements of witnesses, and numerous articles, letters, and statements from varied sources. Senate Joint Resolution 200 provides for an investigation by the FTC and the National Institute of Mental Health of the relationship between advertising (not on the direct advertising of drugs but a spectrum of questionable advertising forms, themes, and techniques) and drug abuse.

Vavra, Terry G. "Irritation in Radio Advertising: A Study of Affectivity and Effectiveness." A paper presented at the 1967 meetings of the Pacific Chapter of the American Association for Public Opinion Research.

The hypotheses for this study suggest that advertising, irritating or annoying to the receiver, may produce better content recall than informational (neutral) or soft-sell (pleasant) advertising, without producing an associated less favorable attitude toward the advertised product. Three specially produced radio commercials were judged by 90 UCLA students with questionnaires for follow-up two days later. The author concludes that different affective tones in advertising seem to produce different degrees of recall. An irritating affective tone seemed to be the most effective.

Vladimir, Andrew. Written Submission.

States his belief that self-regulation will not work in the advertising industry. Asks the FTC to head a body which would represent advertising agencies, advertisers, and consumer groups. (This body would draft advertising guidelines but would also be empowered to enforce them to put a stop to misleading, fraudulent or deceitful advertising.)

Vladimir, Andrew. Testimony. (T1888-1915)

Departing from his prepared statement, which is included in the record (T1901), Mr. Vladimir gave personal experiences which relate to how advertising is conceived. He described how an ad for Ajax Laundry Detergent was created (T1889-1891), and discusses using women's desires for goals which are not directly related to the product (T1891-1892). He described researching dog owners as a means of helping create a pet food commercial (T1892-1895), an advertising campaign to interest people in horse racing (T1895-1897), the use of psychic appeals (T1897). Regulation of advertising (T1900-1901) is discussed briefly. Following his presentation, Mr. Vladimir responded to questions from the Commissioners. Topics discussed included advertising appeals (T1902-1904), false advertising in psychic ads (1904-1905), strategy in advertising (T1906-1910), people's attitudes toward advertising claims (T1910-1912), and believeability (T1912-1915).

Wackman, Daniel B., Greg Reale, and Scott Ward. "Racial Differences in Responses to Advertising Among Adolescents." undated, unpublished paper.

The purpose of this paper is to compare the responses of black and white adolescents to television advertising. Comparisons of responses to specific aspects of ads, of media behavior of black and white adolescents, and of consumer learning are included. The study sample consists of 1149 8th to 12th graders who completed self-administered questionnaires. The overall impression of black and white adolescents' responses to advertising is that they are not very different.

Wackman, Daniel B. Written Submission.

Elaborates on the view that the media acts as a socializing agent. States that commercial viewing has both indirect and direct effects on adolescent consumer learning--consumer socialization. Discusses findings of his research on adolescent consumer learning and their implications. Gives directions for future research. Comments on the relationship between research and policy. Focuses on the problem resulting when each side in a policy dispute uses the same finding to support its position.

Wackman, Daniel B. Testimony. (T1566-1610)

Mr. Wackman presented his prepared statement and then answered questions from the Commissioners. He discussed research on transfer of political values from parents to children (T1588), the ability of young children to discriminate between the product advertised and the commercial (T1597), children's attitudes toward program content (T1601-1602), cynicism toward programming (T1602-1603), and differences between children and adults in terms of cognitive content, attitude formation and attitude change, discrimination, and sensitivity to information (T1609).

Waller, Fletcher C., Jr. Written Submission.

Refer to Aaron Locker's Written Submission.

Walter, Fred. "Letter to the Director of the Bureau of Consumer Protection," November 22, 1971.

Mr. Walter describes two kinds of deception widely used in television commercials. The first is the use of an individual layman's opinion disguised to appear as the opinion of a representative group or as a scientifically established fact. The second is the "varnished yardstick" method which exaggerates small differences in the performance of competing products by demonstrating the amount of difference while suppressing the total of the measured values.

Ward, Scott. "Communication Research and Advertising Practice." (Based on a presentation to the Anheuser-Busch Marketing Seminar, November 1969.) January 1970.

This working paper reports the initial results of Phase 2 in a four-phase research plan to try to make theoretical work in advertising communications more operational for the practitioner. Phase 2 summarizes and evaluates the current state of the art in communications in terms of its relevance to practitioners' needs, based on an extensive review of communications research literature.

Ward, Scott. "Learning Consumer Roles: Preliminary Results and a Conceptual Framework for Research." Marketing Science Institute working paper. April 1970.

Reports on the first stages of a research project examining the youth market. The data used come from a pre-test sample survey of 76 teen-agers. The main points covered in the survey are: 1) family influences on teen-ager's consumer learning;

2) teen-agers' attitudes towards advertising; 3) effects of television advertising on teen-agers. The author indicates that while the pre-test samples are too small to permit generalizations, there does not seem to be a wholesale "consumer generation gap." Teen-agers interviewed do not condemn the consumer practices of their parents, but about half of the young people said they wanted fewer possessions than their parents have. Most of the teen-agers surveyed expressed a general dislike for TV advertising, but in spite of their general negative attitude towards commercials, they correctly identified an average of 18 out of 34 commercials.

Ward, Scott and Thomas S. Robertson. "Family Influences on Adolescent Consumer Behavior." (A paper presented to the Association for Consumer Research, Amherst, Mass., August 28, 1970.)

The paper focuses on intra-family communication regarding the phenomenon of consumption. The research seeks predictors of the relative presence or absence of family communication about consumption, and examines some relationships between family communication and consumption related variables. Data was gathered from 1094 eighth through twelfth graders who completed self-administered questionnaires. Data are presented and summarized, concluding that television advertising seems to complement, rather than replace, family communication as an input to the developing consumer behavior of adolescents.

Ward, Scott and Thomas S. Robertson. "Adolescent Attitudes Toward Television Advertising: Preliminary Findings." December, 1970. (This paper was presented to the American Marketing Association Convention, September, 1970. A complete monograph concerning adolescent attitudes toward TV advertising is being prepared.)

This paper reports an initial part of a research program concerning how children and teen-agers learn to be consumers. The objectives are to provide baseline data concerning attitudes of adolescents toward TV advertising, and to test nine hypotheses concerning predictors of attitudes toward TV advertising and effects of these attitudes on recall of commercials and on self-reported effects on purchase behavior. The data was gathered from 1094 8th to 12th graders who completed self-administered questionnaires. Detailed data and summaries are included.

Ward, Scott and Daniel Wackman. "Family and Media Influences on Adolescent Consumer Learning." (reprinted from) American Behavioral Scientist, Vol. XIV, No. 3 (January/ February 1971), pp. 415-427.

A 1970 survey of 1094 eighth through twelfth graders focuses on "consumer learning" processes by which adolescents gain skills and attitudes relating to consumption. Intrafamily and mass media communication affecting consumer learning processes are examined, and some demographic predictors of consumer learning are described. The authors suggest that it may be beneficial to think of media advertising as shaping the content and form of interpersonal perceptions and communication rather than considering the media as dispensers of product information.

Ward, Scott, and Daniel B. Wackman. "Television Advertising and Intra-Family Influence: Children's Purchase Influence Attempts and Parental Yielding," Harvard University, June 1971.

The focus of this research is on the influence of television advertising on aspects of mother-child interaction: children's attempts to influence mothers' purchases, and mothers' yielding to these attempts. Also examined are mothers' perceptions of the frequency with which commercials influence their children. Self-administered questionnaires were sent to 132 mothers of 5-12 year-old children. Detailed data is presented with conclusions and a brief description of future research on the topic.

Ward, Scott. "Effects of Television Advertising on Children and Adolescents: An Overview." undated, unpublished paper.

This overview is to summarize the areas of research, methodologies employed, and major findings of six separate studies done to provide exploratory, baseline data concerning the effects of television advertising on children and teenagers. Three concern effects of tv advertising on pre-teenage children, and three concern effects on adolescents.

Ward, Scott, David Levinson, and Daniel Wackman. "Children's Attention to Television Advertising." Harvard University, undated, unpublished paper.

This paper presents an empirical investigation of the nature of children's commercial watching behavior, and focuses on the extent and nature, determinants, and short-term consequences of this behavior. 135 trained mothers observed and recorded behavior of a particular child, aged 5 to 12, for 6 to 10 hours over a ten day period. For analyses, data is based on a sample of one-fifth of 6,465 commercials watched by 65 children. The general conclusion is that children of all ages clearly exhibit differential behavior in viewing programs and commercials, with attention decreasing during commercials.

Ward, Scott. Written Submission.

Discusses limitations of his research: limitations on inferences which may be drawn; the difficulties of using empirical social research in policy decisions. Discusses the methodologies employed in his six separate research studies. Describes the principal findings of three of the studies: the first was concerned with the nature and extent of attention children give to commercials; the second sought to identify cognitive developmental trends in children's perceptions, explanations, and judgments concerning the content and purpose of television advertising; the third was interested in examining the extent to which mothers perceive commercials' influence their children. Advances some conclusions and suggests areas for needed research.

Ward, Scott. Testimony. (T1542-1566, T1586-T1610)

Prof. Ward presented his prepared statement, and following the statement of Daniel Wackman, responded to questions from the Commissioners. He discussed the effect of in-family factors in modifying the impact of advertising on the young viewer (T1587). He felt that the general questioning of commercials may in fact be a part of a larger pattern of a child's normal coming to question a lot of things in his environment (T1589-1590), and the question is raised of how attitudes toward commercials compare with attitudes toward products and actual experiences with products (T1594). The advertised/non-advertised dimension of children's requests for products (T1598), cigarette advertising (T1600), children as a separate group from adults from the point of view of advertising standards (T1605-1606) and differences among groups of children (T1607) were also discussed.

Warne, Colston. Testimony. (T942-954 and T968-994)

Speaking as a participant in Prof. Bauer's panel, Mr. Warne's opening statement dealt with the following points: advertising, not a single directional force (T942), advertising and information (T944-945), role of consumer movement (T946-947), product differentiation (T949) and standards for health and safety (T952). During the panel discussion, Mr. Warne commented on: Truth in Advertising Bill (T972), adding unfavorable information in ads (T975), naming of competitors (T977) and class actions for information (T979).

Wasson, Chester R. "Is It Time to Quit Thinking of Income Classes?" Journal of Marketing, Vol. 33 (April 1969), pp. 54-57.

Engel's Laws and the concept of social class developed by Pierre Martineau have in recent years become increasingly important to those concerned with segmenting markets. In this article, the author suggests that marketers have not really begun to make effective use of the social class concept. He further suggests that substantial data now exist which would permit the use of social class criteria other than income class.

Webber, Gordon. Written Submission.

Illustrates basic tools and techniques of film and television and how they are used by advertising. Makes point that tools and techniques not invented by advertising but stem from more than a half century of technology and practice in the motion picture industry. Explains complex and detailed procedures followed in development and verification of product demonstrations. Introduces experts who discuss and demonstrate color correction, food photography, use of music. Screens numerous commercials and print ads illustrative of various problems and techniques relating to physical production of television commercials and print advertising. The experts were: Robert Fearon, President; Friedlich, Fearon & Strohmeier; George Gould, President, Telectronics International; Herman Edel, President; Herman Edel Associates; Peggy Kohl, Assistant Director of Kitchens, General Foods Corporation; Louise Hartman, Assistant in Charge of Home Economics, General Foods Corporation. Relates all to principal theme of communicating message clearly, accurately and honestly and with interest and impact.

Webber, Gordon. Testimony. (T352-387)

Following the outline of his written submission, Mr. Webber introduced experts who discussed and demonstrated color correction, food photography, and use of music. The experts were Robert Fearon, George Gould, Herman Edel, Peggy Kohl, and Louise Hartman.

Webster, Frederick E., Jr. "Individual Determinants of Persuasibility," Chapter 7 of Marketing Communication, New York: The Ronald Press Company, pp. 124-140.

The perceived risk model suggests how differences in individual characteristics, especially self-confidence and strategies for reducing risk, interact with other factors in the decision situation to determine response to both formal and informal communications. It suggests a set of factors which tends to produce the highest amount of responsiveness to a marketing communication. The result of this model is a more complete understanding of the consumer decision process than that offered by the simple "personality correlates of persuasibility" model which explains only a small amount of the variability in consumer behavior. The personality correlates model implicitly assumes that the receiver is primarily motivated by a need for social approval and considers personality determinants of that need. The distinction between problem-solving and the "psychological game" offered in this chapter highlights the two ways in which a communicator exerts his influence--by what he says and by who he is. The perceived risk framework considers both the predictive value of the information and the confidence value. These dimensions are related to the two components of source credibility--competence and trustworthiness.

Webster, Frederick E., Jr. "Developing Communication Objectives," Chapter 12 of Marketing Communication, New York: The Ronald Press Company, pp. 254-275.

In discussing the development of communication objectives, this chapter concentrates on the specification of objectives to be used to guide the development of message strategy; those for the meaning to be conveyed about the product. These defined objectives help to coordinate the various elements of the communication program, guide the creation of message and media strategy, and provide standards against which to evaluate subsequent accomplishments.

In setting communication objectives, company, product, and market factors need to be carefully appraised to define the basic strategy for positioning the product in the market. In the typical case where consumers will be unable to differentiate clearly among brands of the product on solely physical and technical grounds, marketing communication can help to assign meanings and values to the product that will enhance its ability to satisfy certain needs. The value enhancing role of marketing communication is greatest where the product has social visibility, status connotations, and significant product performance and psychosocial consequences. The objectives of marketing communication should be stated in terms that reflect the opportunity for changing basic predispositions within the market and adding value to the product itself. Objectives for changes in predispositions as well as objectives for sales volume should be clearly stated to guide management effort and to evaluate the contribution of communication within the total marketing mix.

Weeks, Richard R. and William J. Marx. "Music in Television Advertising: A Look at the Business." Business Viewpoints, 1969, pp. 35-46.

This article is designed to provide information needed by television advertisers to increase the effective use of music in the preparation of television commercials. It is based on a review of the literature and a questionnaire survey of the top ninety-five United States advertising agencies and sixty-nine extra-agency music specialists. The purposes of the survey were to determine what those in the business consider to be the: 1) factors indicating a need for music in television commercials; 2) major organizational objectives for the use of music; 3) dangers in the use of music in television advertising; and 4) practical problems faced by music suppliers and advertising agency executives. Despite differences in the attitudes of the music specialist and the advertising agency music man, both were fairly consistent in their feelings toward a preference for original music, the degree to which music accomplishes its intended objectives, and the perceived dangers of using music in television advertising.

Weeks, Richard R. and William J. Marx. "Music's 'Power' for Television Advertising," The Southern Journal of Business, Vol. 3, No. 4 (October 1968), pp. 35-38.

In a review of the literature, the authors conclude that musical communication holds value for the advertising man and represents a creative area for increasing the effectiveness of advertising. Four guidelines they extract are: 1) Music's main power arises from its potential to readily enter into associative learning bonds. Both original music and well-known music converted for advertising purposes can be successful for advertisers in an aesthetic and an economic sense. 2) The use of music realizes its fullest potential for advertising when it is successfully wedded with copy and visuals under a strong and sound basic commercial concept. Television commercials should be created, written, and structured with music in mind. 3) The systematic relationship of music and color to specific emotions offers the possibility of increased advertising effectiveness for color television. A judicious blending of these ingredients can intensify desired moods and improve viewer receptiveness. 4) Music may be useful in reaching specific segments by appealing to personality types.

Weil, Gilbert H. Written Submission.

Believes that the cardinal achievement of the hearings was that they initiated a dialogue between the Commission and Industry of a sort that has never taken place before.
Lists and discusses what he thought were the specific areas of major interest and concern to the Commission (as a result of the Hearings). 1) Concern over the extent to which advertising can compel consumers to buy things they really don't want to purchase. 2) Concern over the possible connection between certain kinds of television advertising and the growing use of narcotic drugs by the younger generation. 3) Concern over the extent to which advertisers should be compelled to include more by way of factual product information in advertisements. 4) Interest in how it (the Commission) can go about finding out just what particular advertisements or advertising claims actually mean to consumers and how they, in turn, affect the consumer's buying behavior. 5) Concern over the difficult and complex area of the impact of television commercials on children.

Weil, Gilbert H. Testimony. (T1939-1973)

See written statement.

Weilbacher, William M. "Standard Classification of Consumer Characteristics." *Journal of Marketing*, Vol. XXXI (January 1967), pp. 27-31.

This article presents the standardized consumer classifications (and their history), developed by the Research Committee of the American Association of Advertising Agencies in consultation with the New York Media Directors Council for use in survey research work. The article states that widespread adoption would facilitate combining the findings of various surveys, and also facilitate the comparison of results from different surveys for check and confirmation.

Wells, William D. "Communicating with Children." *Journal of Advertising Research*, Vol. 5, No. 2 (June 1965), pp. 2-14.

Describes children, aged five to twelve years, as respondents in advertising research. Concludes that interviewers should use concrete language and a combination of rapport and skepticism in obtaining information from children, and that advertisers should show their products in motion, preferably in motivating scenes.

White House Conference on Children. "Child Development and the Mass Media." Report of Forum 20, 1970 White House Conference on Children.

Stating that current products of the mass media reflect insufficient empathy for the inner needs of children and for the needs of their parents who use and depend on the media in their children's lives, the Forum presents formulated goals in the areas of media content, parental responsibility, legislative action, and education. Proposes the establishment of an Institute of Child Development and the Mass Media and describes services to be provided to both government agencies and private industry.

Winick, Charles. "Sex and Advertising." *Sexual Behavior*, April 1971, pp. 36-79.

The article presents the many varied uses and effects of sex in advertising; encouraging sexual fantasies (such as the "before and after" advertising which implies that the product contains a kind of magic which can radically transform the user into a seductive person who will get her man), youth (relatively few models seem to be over 27, contributing to a belief that mature people have no sexual interests), marriage (sexual themes tend to be shown in courtship or nonmarital situations), sexual inadequacy (some ads tap deep-rooted attitudes toward sexual inadequacy), various sex appeals (oral sensuality, aromas, lack of odor), and double-entendres (slogans which lend themselves to double meanings). The author foresees an increase in advertising involving unconventional forms of sexual expression, and more sexual content in advertising, at least until a saturation point is reached.

Winters, Lewis C. and Wallace H. Wallace. "On Operant Conditioning Techniques." Journal of Advertising Research, Vol. 10, No. 5, (October 1970), pp. 39-45.

This paper is a literature review of the use of operant conditioning techniques in advertising research, and it describes the types of operant conditioning techniques available and discusses what they measure. Emphasis is placed on studies of the reliability and validity of such techniques in measuring advertising effectiveness.

Wrolstad, Meral E. Written Submission.

Written submission consists of one page which describes Mr. Wrolstad's background and offers a two-paragraph "outline" of his presentation.

Wrolstad, Meral E. Testimony. (T1180-1188)

Dr. Wrolstad's formal presentation included the following topics: writing and speaking (T1181-1183), creative conception of visible language (T1183-1184), linguists' view of language, writing and speech (T1186), reader's response to visual language and retention (T1187).

Yankelovich, Daniel. "What New Life Styles Mean to Market Planner." Marketing/Communications, June 1971, pp. 38-45.

Looks at the impact of social trends on marketing, using examples from both historical and present changes in American life styles. He notes that some of the trends played up by mass media as nationwide turned out to be confined to some youth enclave, and caused mistakes on the part of decision-makers who carelessly depend on media as a basis for judgments about what is happening among large heterogeneous populations and markets. He urges both marketing and non-marketing evaluation of trends that occur before decision-making takes place. A list of "the 31 social trends that alter consumption" is included.

Zajonc, Robert B. "Attitudinal Effects of Mere Exposure." Journal of Personality and Social Psychology Monograph Supplement, Vol. IX, No. 2, Part 2 (June 1968), pp. 1-27.

The hypothesis is offered that mere repeated exposure of the individual to a stimulus object enhances his attitude toward it. By "mere" exposure is meant a condition making the stimulus accessible to the individual's perception. Support for the hypothesis consists of 4 types of evidence, presented and reviewed: (a) the correlation between affective connotation of words and word frequency; (b) the effect of experimentally manipulated frequency of exposure upon the affective connotation of nonsense words and symbols; (c) the correlation between word frequency and the attitude of their referents; (d) the effects of experimentally manipulated frequency of exposure on attitude. The relevance for the exposure-attitude hypothesis of the exploration theory and of the semantic satiation findings were examined.

Zaltman, Gerald and Ilan Vertinsky. "Health Service Marketing: A Suggested Model." Journal of Marketing, Vol. 35 (July 1971), pp. 19-27.

This article discusses social marketing in a health context. It is concerned with developing a psychosocial model of health-related behavior with emphasis on less developed countries. The model furnishes a basis for simulating health processes which provides a testing ground for health policies before their actual implementation. The authors conclude that the health and allied industries are becoming an increasingly large factor in the economies of developed and developing nations, and that marketing activities represents an important force for developing and tapping this important market and in making a significant contribution to human health welfare.

Ziff, Ruth. "Psychographics for Market Segmentation." Journal of Advertising Research, Vol. 2 , No. 2 (April 1971), pp. 3-9.

A study was conducted to determine whether a core of attitudes or values could be identified that would have meaning over a large number of individual products within a similar class of products and to determine whether a core of attitudes or values could be identified that would cut across product classes. 1,600 housewives responded by mail to 214 attitude statements on a wide range of variables. The study also obtained information on product usage for 69 different products and brand usage for 38 products. The study indicates that a core of attitudes/needs/values can be used to provide the basis for a meaningful segmentation for a number of individual products in a broad class of products and that a core of attitudes can be used to provide segments that are relevant in different classes of products.

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the Report (Chapters One to Nine)
and Appendix Three

Morris B. Holbrook is a doctoral student in marketing at the Graduate School of Business, Columbia University. He received his B.A. in English from Harvard College and his M.B.A. from Columbia. He is primarily interested in rese[illegible] on communication and is currently at work on a dissertation d[illegible]ing with the effects of advertising.

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